

**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**

Tuesday 24 November 2015

**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

23 October 2015

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 Tuesday 24 November 2015 at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000.

The enclosed Notice of Annual General Meeting and Explanatory Memorandum contain details of the ordinary business of the Company, including receiving the financial report of the Company for the year ended 30 June 2015, the election of directors and the approval of the Remuneration Report.

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

If you are unable to attend the Annual General Meeting, you are urged to complete the attached Proxy Form and return it, marked attention to the Secretary, so that it is received not later than 10.00 a.m. (AEDT) on Sunday 22 November 2015:

**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 Johnson Street  
Abbotsford Vic 3067

**Via our online facility:**

Please visit [www.investorvote.com.au](http://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), the PIN and the six digit Control Number shown on the Proxy Form.

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

Yours faithfully

**Alan Brown**  
**Chairman**  
**Traffic Technologies Ltd**

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

Notice is hereby given that the Annual General Meeting (**Meeting**) of the members of Traffic Technologies Ltd (ABN 21 080 415 407) (**Company** or **Traffic Technologies**) (**Members**) will be held on Tuesday 24 November 2015 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 2015.

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

**B. Ordinary Resolutions**

**Resolution 1: 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 2015 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 1 by, or on behalf of:

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

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

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

**Resolution 2: Board Spill Meeting**

If required, to consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution of the Company:

*"That, subject to and conditional on at least 25% of the votes cast on Resolution 1 (Approval of Remuneration Report) being cast against the adoption of the Remuneration Report, as prescribed by the Corporations Act:*

- (a) *an extraordinary general meeting of the Company (the **Spill Meeting**) be held within 90 days of the passing of this Resolution;*

- (b) *all of the Directors of the Company (other than the Managing Director, Mr Con Liosatos) in office at the time when the resolution to make the Directors' Report for the financial year ended 30 June 2015 was passed and who remain in office at the time of the Spill Meeting, being Mr Alan Brown, Mr Mark Hardgrave and Mr Ken Daley, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of Shareholders at the Spill Meeting."*

**Voting exclusion:**

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

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

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

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

**Resolution 3: Approval of Employee Share Option Plan**

To consider, and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rules 7.1 and 7.2 Exception 9, sections 200B and 200E of the Corporations Act, and for all other purposes, shareholders approve with effect from the close of this Meeting, the Company's Employee Share Option Plan (**ESOP**) and the issue of options by the Board in its discretion in accordance with the provisions of that ESOP".*

**Voting exclusion:**

The Company will disregard any votes cast in respect of Resolution 3 by a Participant.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 4: 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 5: Election of Mr. Garry Lowrey as a Director**

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

*"That Mr. Garry Lowrey, 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."*

**GENERAL BUSINESS**

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

**By Order of the Board**  
**Alan Brown**  
**Chairman**

**Dated: 23 October 2015**

## WHO MAY VOTE

The Company determines that only Members holding Shares as at 7.00 p.m. (AEDT) on Sunday 22 November 2015 will be entitled to vote at the Annual General Meeting on Tuesday 24 November 2015 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 Sunday 22 November 2015:

**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 Johnson Street  
Abbottsford Vic 3067

**Via our online facility:** Please visit [www.investorvote.com.au](http://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), the PIN and the six digit Control Number shown on the Proxy Form.

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

## FURTHER INFORMATION

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

# **TRAFFIC TECHNOLOGIES LTD**

**ACN 080 415 407**

## **EXPLANATORY MEMORANDUM**

### **1. INTRODUCTION**

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

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

### **2. ITEMS OF ORDINARY BUSINESS**

#### **2.1 Financial Statements and Reports**

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

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

#### **2.2 Approval of Remuneration Report**

The Remuneration Report which forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2015 explains the Board's policies in relation to the nature and level of remuneration paid to key management personnel of the Company and sets out the remuneration details for each of them. The contents of the Remuneration Report are not reproduced in this Explanatory Memorandum. Members are referred to pages 4-8 of the Annual Report for full details of the remuneration of the Directors and Key Management Personnel.

As a result of receiving only 60.2% of votes cast in favour of the Remuneration Report at last year's Annual General Meeting, the Board and the Nomination & Remuneration Committee have taken a number of steps to address Shareholder concerns regarding the Company's remuneration policies, including:

- reviewing the appropriateness of the Company's remuneration policies with a particular focus on aligning executive reward with the Company's long-term performance and Shareholder value creation;
- engaging external remuneration consultants to benchmark the remuneration of non-executive Directors and executives against ASX-listed companies of a comparable size and industry background and to advise on governance issues affecting remuneration;
- formalising a short term incentive plan to align more closely the relationship between executive and the Company's performance;
- developing a long term incentive plan to align more closely the relationship between executive performance and sustainable Shareholder return over the longer term; and
- reviewing the format and content of the Remuneration Report to improve disclosure of remuneration policies and outcomes.

Please refer to the Remuneration Report, contained in the Annual Report for further information regarding the action undertaken by the Company the Nomination & Remuneration Committee since the last AGM.

The Chairman will allow the Members a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. 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 1, 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.

### 2.3 Board Spill Meeting (contingent item)

The Corporations Act includes a '**two strikes**' rule with regard to Remuneration Reports. The 'two strikes' rule provides that if 25% or more of the votes cast on the resolution to approve the Remuneration Report at two consecutive Annual General Meetings are against approving the Remuneration Report, Shareholders will have the opportunity to vote on a resolution proposing to convene another shareholder meeting to consider the spill of the Board.

At our Annual General Meeting last November, 60.2% of the total vote received from Shareholders supported the 2014 Remuneration Report. As this was less than a 75% majority, the Company received a 'first strike' against its Remuneration Report. Accordingly, if the votes against the 2015 Remuneration Report exceed 25% of the votes cast, the Company will receive a 'second strike'.

If a 'second strike' occurs, Resolution 2 will be put to the Annual General Meeting. If less than 25% of the votes cast are against approving the Remuneration Report, then there will be no 'second strike' and Resolution 2 will not be put to the Annual General Meeting.

If put, the spill resolution will be considered as an ordinary resolution.

If this Resolution is passed and becomes effective, as required by section 250V of the Corporations Act, a special meeting of Shareholders known as a 'Spill Meeting' must be held within 90 days after the Annual General Meeting. The Directors (other than the Managing Director) will cease to hold office at the end of the Spill Meeting (subject to the Company maintaining the minimum number of Directors as required by the Corporations Act). The Directors which may be subject to the Spill Meeting are:

- Mr Alan Brown;
- Mr Mark Hardgrave; and
- Mr Ken Daley.

Each of the Directors listed above would be eligible to seek re-election at the Spill Meeting, however there is no guarantee that any of them will do so.

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

### 2.4 Approval of Employee Share Option Plan

Pursuant to Resolution 3, the Company is seeking shareholder approval for the adoption by the Company of the Employee Share Option Plan (**ESOP**).

The Company proposes to adopt the ESOP to foster an ownership culture within the Company and to motivate senior management and directors to achieve performance targets of their representative business units and the Company as a whole.

The employees of the Company have been, and will continue to be, instrumental in the growth of the Company.

The Directors consider that the ESOP is an appropriate method to:

- reward employees for their past performance;
- provide long term incentives for participation in the Company's future growth; and

- motivate and generate loyalty from employees.

Shareholders should note that no options have been issued under the ESOP.

(a) Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 exception 9 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than three years before the date of issue. The ESOP is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2.

The Company intends that the issue of options under the ESOP not be included when undertaking the calculation pursuant to Listing Rule 7.1. Accordingly, it is seeking shareholder approval in order for the Company to be able to issue options pursuant to the ESOP and have those options qualify under exception 9 to Listing Rule 7.2.

(b) Corporations Act

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of section 200E of the Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The ESOP allows the Board, in its discretion, to afford persons ceasing employment with the Company certain benefits under the ESOP. The term "benefit" has a wide operation and includes the Board exercising its discretion to bring forward the option exercise period and permit an early exercise of the Participant's options granted under the ESOP (**Accelerated Exercise Period**).

For a section 200B benefit to be allowed, section 200E requires that this Notice provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value. The Board has not determined that it will exercise discretion to grant any Accelerated Exercise Periods.

In the circumstances of a possible Accelerated Exercise Period, the value of the termination benefits that the Board may give under the ESOP cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Accelerated Exercise Period will depend on a number of factors, including the Company's share price at the time of vesting of the options and the number of options that the Board decides to allow vest early (if any). Shareholders should note the benefit is restricted to an acceleration of the vesting of an option, it does not change the exercise price or the number of shares which are subject to the options.

(c) Summary of the terms of the ESOP

A summary of the terms of the ESOP is outlined below:

- Participants in the ESOP may be employees of the Company (or any of its related bodies corporate), executive or a director of the Company (or any of its related bodies corporate), or any other person determined by the Board to be eligible to participate in the ESOP (**Participants**).
- The Board is responsible for the administration of the ESOP.
- Unless otherwise determined by the Board, options granted under the ESOP will be granted free of charge.



- The exercise price, option period and exercise conditions of the options granted under the ESOP will be specified in the offer of options under the ESOP to an employee, as determined by the Board.
- Shares which are issued as a result of the exercise of options granted under the ESOP will rank equally in all respects with all shares on issue and the Company will apply for quotation of those shares on ASX.

A copy of the full ESOP will be tabled at the Meeting and is available on the Company's website.

(d) Voting exclusion

Pursuant to Listing Rule 7.2 exception 9, the Company will disregard any votes cast on Resolution 3 by:

- any Participant; and
- an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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

## 2.5 Election of Directors

Resolution 4 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***

Non-Executive Director Appointed January 2013.

Mr. Hardgrave has a corporate advisory background. Earlier in his career he was executive Director of Brencorp Group, a private investment group. He was Vice President Investment Banking at Merrill Lynch, specialising in equity capital raising and mergers and acquisitions, after which he was senior investment manager with Thorney Investment Group. Mr. Hardgrave was previously Chief Executive Officer of Bennelong Group, which specialises in listed equities, property and private equity. Currently Mr. Hardgrave is Director of M&A Partners, a Melbourne based private investment and corporate finance group. Mr. Hardgrave is also a Director of Rivercorp Land and Water Limited. 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 is Chairman of the Audit & Risk and Nomination & Remuneration committees and a member of the Corporate Governance committee. Mr. Hardgrave has not served as a Director of any other listed companies during the three years prior to June 2015.

**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 5 seeks approval for the election of a new director to the Board who will also be appointed as the Chairman of the Company. 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. Garry Lowrey fulfils all relevant criteria. His profile is set out below.

### **Profile of Mr. Garry Lowrey**

Independent, Non-Executive Director (Chairman)

Mr. Lowrey has over 30 years of experience in a variety of advisory and management roles for both private and public companies. Earlier in his career, he was a Director of Potter Warburg's Corporate Finance team, specialising in providing capital markets and mergers and acquisitions advice to small and mid-market companies. Mr. Lowrey was a Managing Director of Wilson HTM Investment Group, which is an ASX listed wealth management and business investment group. He also was a Managing Director of Barrepoint Advisory, a boutique advisory business servicing private and ASX listed small and mid-market companies. Most recently, Mr. Lowrey served as an Executive Director of Shaw and Partners Limited. Mr. Lowrey holds a Bachelor of Business degree from the NSW University of Technology and a Masters of Applied Finance from Macquarie University. He is also a member of the Institute of Chartered Accountants. Mr. Lowrey is currently the Chairman of Oak Tree Group Limited, a company which develops and operates retirement villages along the east coast of Australia.

**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;

**ESOP** means Employee Share Option Plan;

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice;

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

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

**Notice** means the notice of Meeting;

**Participant** means any employees of the Company (or any of its related bodies corporate), executive or a director of the Company (or any of its related bodies corporate), or any other person determined by the Board to be eligible to participate in the ESOP;

**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;

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

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

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

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

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

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

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

## For all enquiries call:

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

000001 000 TTI  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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



 **For your vote to be effective it must be received by 10:00 a.m. (AEDT) Sunday 22 November 2015**

## How to Vote on Items of Business

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

### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

## Attending the Meeting

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

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

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

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

☐

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



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

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 at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne on Tuesday, 24 November 2015 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 Items 1, 2 and 3 (except where I/we have indicated a different voting intention below) even though Items 1, 2 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 2 where the Chairman of the Meeting intends to vote against.**

**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 Items 1, 2 and 3 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business



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

		For	Against	Abstain
Item 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Board Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Mr. Mark Hardgrave as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Election of Mr. Garry Lowrey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Item 2 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date

/ /

TTI

204557A

Computershare +