

Release to Australian Securities Exchange

25 September 2014

Paul Clark appointed as Redflex Group Chief Executive Officer

Redflex Holdings Limited (ASX:RDF) Chairman, Adam Gray, announces the appointment of Paul Clark as Group Chief Executive Officer.

As previously announced, the Board has for several months been conducting a search for a Chief Executive Officer with the skills and experience needed to re-establish Redflex's position as a market leader in its target markets.

The Board identified that the next chapter in Redflex's future required a Group Chief Executive Officer with a strong track record in establishing a culture of achievement, building business profitability and the skills required to communicate effectively with all of the stakeholders who contribute to the success of Redflex's business. After interviewing many candidates from around the world, the Board recognised that it had an ideal candidate in Paul as he began to make his contribution as a non-executive Director.

Paul is a highly qualified and experienced senior executive who has led large and diverse range of businesses and disciplines with a focus on turning around underperforming business units or creating additional value through significant cultural and structural change. In recent executive roles Paul was responsible for end-to-end customer facing businesses with profit and loss responsibility of up to \$1.7 billion annual profit.

"As the market for road safety solutions continues to grow globally, Paul has the skills to ensure that Redflex takes full advantage of the opportunities that we face," Mr Gray said.

Mr Clark said "I am excited to be taking on this challenge at this time in the Company's evolution. There is no question that Redflex has great potential, as global demand for its industry-leading products and services continues to increase. Redflex is a substantial force in the global photo enforcement market, with a strong presence in Australia, Asia, North America and the Middle East and great potential to move further into the rapidly growing Intelligent Transportation Systems marketplace. I look forward to leading the re-building of the Group's previously impressive record of success and to continuing to work with the Redflex Board, shareholders, executive team and staff."

A summary of the material terms of Mr Clark's employment contract are set out in the annexure to this announcement.

Redflex focuses on enhancing public safety through the use of innovative technologies, such as red-light and speed photo enforcement solutions.

For further information:

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Annexure 1 to ASX Announcement – 25 September 2014

Incoming Group CEO Contractual Arrangements

Mr Clark is employed in the position of Group Chief Executive Officer of Redflex Holdings Limited.

The key terms of Mr Clark's contract are:

Mr Clark's employment commences 25 September 2014 and is for an initial term of one year ending 30 September 2015.

Mr Clark is entitled to be paid a salary of \$400,000 per annum plus superannuation.

At the conclusion of his first year of service (30 September 2015), Mr Clark will also be entitled to an incentive payment of between 30% and 100% of his salary, depending on his achievement of agreed objectives, within 30 days of 30 September 2015. The incentive will be payable in performance rights (50% of which vest one year after grant and the remaining 50% of which vest two years after grant). If payment of Mr Clark's incentive in performance rights is not approved by shareholders, then the Company will pay his incentive in cash.

The agreement may be terminated by the CEO with 6 month's prior notice, or by the Company making a payment equivalent to the CEO's remuneration until the expiration of the term. Summary termination is permitted for gross misconduct.