

ASX ANNOUNCEMENT

29 September 2015

REDFLEX HOLDINGS LIMITED ABN 96 069 306 216

2015 Corporate Governance Statement and ASX Appendix 4G

Attached is the 2015 Corporate Governance Statement and ASX Appendix 4G for Redflex Holdings Limited (ABN 96 069 306 216) (**RDF**).

A copy of these documents will also appear on the Redflex website (www.redflex.com.au) in the Investor Relations / Corporate Governance section.

About Redflex

The Redflex Group has established itself as a world leader in traffic enforcement products and services, developing world leading enforcement camera technology and owning and operating one of the largest networks of digital speed and red-light cameras in the world.

The Redflex Group develops and manufactures a wide range of digital photo enforcement solutions including red light camera, speed camera and school bus stop arm camera systems all utilising the most advanced sensor and image capture technologies.

The Redflex Group runs its own systems engineering operations, system integration technologies and innovation centre for research and development. With our continuous development of new safety products, the Redflex Group has been helping to reduce collisions and to save lives for more than 20 years.

Redflex Holdings Limited was listed on the Australian Securities Exchange in January 1997.

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REDFLEX HOLDINGS LIMITED ABN 96 069 306 216
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

The Board of Directors of Redflex Holdings Limited (“Redflex”, the “Company” or the “Redflex Group”) is responsible for the corporate governance framework of the Redflex Group having regard to the ASX Corporate Governance Council’s “Corporate Governance Principles and Recommendations, Third Edition” (ASX CGC Recommendations). The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board of Directors of Redflex has approved this Corporate Governance Statement for the year ended 30 June 2015.

A reference to the Redflex website in this Corporate Governance Statement is to www.redflex.com.au. There is an “Investor Relations” tab and then a “Corporate Governance” tab on the Redflex website to navigate to the relevant information contained in or referred to in this statement.

A copy of the 2015 Annual Report and all ASX announcements of the Company can be found on the Redflex website under the “Investor Relations” tab.

The table below summarises the Company’s compliance with the ASX CGC Recommendations:

	Recommendation	Complies Yes / No	Reference
Principle 1 – Lay solid foundations for management and oversight			
	A listed entity should establish and disclose the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.		
1.1	A listed entity should disclose: <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its Board and management; and (b) those matters expressly reserved to the Board and those delegated to management. 	Yes	Board Charter Refer to “Investor Relations” section of Redflex website Refer to “Board of Redflex” section below
1.2	A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	Yes	Nominations Committee Charter Refer to “Investor Relations” section of Redflex website Refer to “Nominations Committee” section below Refer to “Investor Relations” section of Redflex website Refer to 2015 AGM Notice of Meeting
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Refer to “People, Culture and Remuneration” section below
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Yes	Board Charter

Recommendation	Complies Yes / No	Reference
1.5	No	<p>Refer to “Investor Relations” section of Redflex website</p> <p>Diversity Policy</p> <p>Refer to “Investor Relations” section of Redflex website</p> <p>Redflex Report to the Workplace Gender Equality Agency in the “Investor Relations” section of Redflex website</p> <p>Refer to “Diversity at Redflex” section below</p>
1.6	Yes	<p>Refer to “Board and Senior Executive Performance” section below</p> <p>Refer to “Board and Senior Executive Performance Evaluation” section below</p>
1.7	Yes	<p>Refer to “Board and Senior Executive Performance Evaluation” section below</p>

Principle 2 – Structure the Board to add value

A listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1	Yes	<p>Nominations Committee Charter</p> <p>Refer to “Investor Relations” section of Redflex website</p> <p>Refer to “Nominations Committee” section below</p>
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(a) have a nomination committee which:

- (1) has at least three members, a majority of whom are independent directors; and
- (2) is chaired by an independent director,

and disclose:

- (3) the charter of the committee;
- (4) the members of the committee; and
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;

OR

Recommendation	Complies Yes / No	Reference
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		Refer to “Structure of the Board” section below Refer to “Investor Relations” section of Reflex website
2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	No	Refer to “Structure of the Board” section below Refer to “Investor Relations” section of Reflex website
2.3 A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director.	Yes	Refer to “Structure of Board” section below
2.4 A majority of the Board of a listed entity should be independent directors.	Yes	Refer to “Structure of the Board” section below
2.5 The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	Refer to “Structure of the Board” section below
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Refer to “Director Induction and Continuing Professional Development” section below
Principle 3 – Act ethically and responsibly		
A listed entity should act ethically and responsibly.		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes	Refer to “Investor Relations” section of Reflex website
Principle 4 - Safeguard integrity in financial reporting		
A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.		
4.1 The Board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the Board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and	Yes	Audit Committee Charter Refer to “Investor Relations” section of Reflex website Refer to “Audit Committee” section below Refer to Directors’ Report in the Annual Report

Recommendation	Complies Yes / No	Reference
<p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
<p>4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	Refer to "Group CEO and Group CFO Certification" section below
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	Refer to "Auditor" section below
Principle 5 – Make timely and balanced disclosure		
<p>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>		
<p>5.1 A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	Continuous Disclosure and Communications Policy and Procedure Refer to "Investor Relations" section of Redflex website
Principle 6 – Respect the rights of security holders		
<p>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</p>		
<p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Refer to "Investor Relations" section of Redflex website
<p>6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	Continuous Disclosure and Communications Policy and Procedure Refer to "Investor Relations" section of Redflex website
<p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	Continuous Disclosure and Communications Policy and Procedure Refer to "Investor Relations" section of Redflex website Refer to 2015 AGM Notice of Meeting

	Recommendation	Complies Yes / No	Reference
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Members are able to request electronic communications via the Computershare website www.computershare.com.au
Principle 7 – Recognise and manage risk			
	A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
7.1	The Board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <p>OR</p> <ul style="list-style-type: none"> (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	No	Risk & Compliance Committee Charter Refer to "Investor Relations" section of Redflex website Refer to Annual Report Refer to "Risk & Compliance" section below
7.2	The Board or a committee of the Board should: <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. 	Yes	Refer to "Risk and Compliance" section below
7.3	A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	Yes	Refer to "Audit Committee" section below Refer to "Risk and Compliance Committee" section below
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Refer to "Economic, Environmental and Social Sustainability Risks" section below

Principle 8 – Remunerate fairly and responsibly

	A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.		
8.1	The Board of a listed entity should: <ul style="list-style-type: none"> (a) have a remuneration committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, 	Yes	People, Culture & Remuneration Committee Charter Refer to "Investor Relations" section of Redflex website

Recommendation	Complies Yes / No	Reference
<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</p> <p>OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		Refer to “People, Culture & Remuneration” section below
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Refer to 2015 Annual Report
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Dealing in Redflex Securities Policy</p> <p>Refer to “Investor Relations” section of Redflex website</p>

Unless otherwise stated in the table above or in the paragraphs of this statement that follow, the Company’s corporate governance practices were in place throughout the year ended 30 June 2015.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, please refer to the “Investor Relations” section of the Redflex website.

BOARD OF REDFLEX

The Board’s role includes guiding the strategic direction of the Company, driving its performance and overseeing the activities of management and the operation of the Company. The Board may delegate the day to day operation of the Company to Management but the Board remains accountable to shareholders and other stakeholders for the Company’s performance.

In its stewardship of the Company, the Board also seeks to identify and ensure delivery of outcomes against the expectations of shareholders. In so doing the Board seeks to identify and ensure compliance with the Company’s regulatory and ethical expectations and obligations. The Board is responsible for identifying areas of significant business risk and for ensuring arrangements are in place to adequately manage those risks.

The Board operates under a charter that establishes the role and responsibilities of the Board. The Company had two versions of the Board Charter in effect during the reporting period. The first version applied from 1 July 2014 to 28 May 2015. The second version applied from 28 May 2015 to 30 June 2015. The Board Charter is reviewed at least annually to ensure it complies with current legal requirements and remains relevant and effective.

The Board has delegated to the Group Chief Executive Officer and senior executive management responsibility for the day to day management of the Company’s business. The scope of, and limitations placed on, the authority delegated to management is determined by the Board and covers areas such as implementation of, and monitoring progress against, Board approved annual operating plans and budgets via the establishment and reporting of both financial and non-financial key performance indicators.

The Board is responsible for the overall operation and stewardship of the Company and, under the Board Charter, is responsible for:

Strategy

- Providing overall leadership by assisting and supporting management in the implementation of corporate strategy and performance objectives. This includes approval of business plans and operating and annual budgets developed by management;

- Directing, monitoring and assessing performance against strategic and business plans; and
- Approving and monitoring capital management including raising of capital, major capital expenditure and acquisitions and divestments.

Compliance and risk management

- Ensuring that the Company has an appropriate compliance and risk management framework in place and setting the risk tolerance within which the Board expects the Company to operate;
- Ensuring a process is in place to identify the principal compliance obligations and risks to the Company's businesses; and
- Reviewing and assessing the integrity of the systems of compliance, risk management and internal control.

Reporting and disclosure

- Approving and monitoring financial and other reporting, including reporting to shareholders and other stakeholders;
- Establishing procedures to ensure implementation and adherence to the Company's reporting policy;
- Overseeing the integrity of the Company's accounting and corporate reporting systems, including external audit; and
- Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Management

- Appointing, and where appropriate, removing the Chairperson of the Board;
- Delegating appropriate authority to management;
- Appointing and approving the terms of engagement of the Group Chief Executive Officer and, where necessary, removing the Group Chief Executive Officer;
- Approving or ratifying the appointment and terms of engagement of the Group Chief Financial Officer, the Group General Counsel & Company Secretary and other senior executives;
- Appointing, and where appropriate, removing the Company Secretary;
- Ensuring that a process is in place so that the remuneration and conditions of service of senior executives is appropriately set;
- Ensuring that a process is in place for executive succession planning, and monitoring that process; and
- Overseeing management's implementation of the Company's strategic objectives and its performance generally.

Performance

- Evaluating the Group Chief Executive Officer's performance; and
- Approving and monitoring criteria for evaluating the performance of the Group Chief Executive Officer and senior executives.

Corporate governance

- Establishing appropriate standards and encouraging ethical behaviour and compliance with the Company's own governing documents, including the Code of Business Conduct and Ethics and other Company policies and procedures; and
- Monitoring the Company's compliance with corporate governance standards and the effectiveness of the Company's governance practices.

Board committees

- Establishing and adopting charters and monitoring the performance of the following Board Committees:
 - Audit;
 - Risk & Compliance;
 - Nominations; and
 - People, Culture & Remuneration; and
- Reviewing the performance of the Board Committees to ensure that they remain relevant and effective.

As stated above, while at all times the Board retains full responsibility for the stewardship of the Company's business and operations, it makes use of Board Committees that are able to focus on particular duties and responsibilities and provide informed feedback and recommendations to the Board. The duties and responsibilities of the established Board Committees are set out in the respective Board Committee charters published in the "Investor Relations" section of the Redflex website.

There are procedures in place, agreed by the Board, to enable the Board and individual directors to seek independent professional advice at the Company's expense.

As at the year ended 30 June 2015, the number of times the Board met throughout the reporting period, the Board members and the individual attendances of Board members at those meetings is set out in the section below entitled "Directors' and Board Committee meetings".

DIVERSITY AT REDFLEX

The Company recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience. Redflex values diversity at all levels within the Company and recognises that a talented workforce is a key to its business success. Each member of the Company's workforce brings their own unique capabilities, experiences and characteristics. Redflex actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated.

To this end, the Company supports the recommendations contained in the ASX CGC Recommendations. The Company has established a Diversity Policy outlining the Board's measurable objectives for achieving diversity. Due to changes in the Board in late 2014 and subsequent changes in senior management in early 2015, the current Diversity Policy has not been available for the entire reporting period as the Board considered and approved the current Diversity Policy on 25 February 2015. The Company's Diversity Policy is available on the "Investor Relations" section on the Redflex website.

A copy of our Workplace Gender Equality Public Report for the 12 month period 1 April 2014 to 31 March 2015 is also available on the Redflex website.

As prescribed in the current Diversity Policy, the Company's approach to diversity is based on the following objectives:

- *Foster an inclusive culture*: the Company is committed to involving both women and men in fostering an inclusive culture that upholds the Company's central principle of meritocracy;
- *Multicultural diversity*: the Company continues to recognize and celebrate its multicultural diversity and to grow its workforce to reflect the diversity of the populations in which it operates;
- *Disadvantage diversity*: provide people with a disability employment opportunities and career advancement;
- *Improve talent management*: the Company is committed to embedding diversity initiatives into its broader talent management processes in order to support the development of all talent, and to increase the representation of women in management roles;
- *Enhance recruitment practices*: the Company is committed to hiring the best person for the job, which requires the consideration of a broad and diverse pool of talent;
- *Ensure pay equity*: the Company is committed to ensuring equal pay for equal work across its workforce, and the Company has programs in place to manage pay equity.

However, given that the current Diversity Policy was not approved until 25 February 2015, the Company intends to assess the abovementioned objectives and the Company's progress in achieving them in the next reporting period.

Prior to the adoption of the current Diversity Policy, the diversity objectives that were established by the Board and the steps that were taken to achieve them are set out below.

Objectives	Steps taken / outcome
To effectively communicate and implement the diversity policy internally.	The diversity policy is published on the Redflex website and internal intranet.
For the Board to receive reports on the progress and status of implementation of, and compliance with, the policy.	The Board receives regular reports on implementation and compliance with the policy.
To continue to comply fully with all of the Company's legal requirements and reporting obligations regarding diversity and equal employment opportunity in the jurisdictions in which it operates.	In the U.S., Redflex provides equal employment opportunity reports to the Equal Opportunity Employment Commission. In Australia, Redflex provides the required reports to the Workplace Gender Equality Agency.
To continue to offer employment based on merit in order to ensure that the best possible candidates are selected for employment positions available.	Employment and career development opportunities are equal for all employees at Redflex. Subject to any specific cultural sensitivities and/or legal requirements in countries in which Redflex operates, Redflex: <ul style="list-style-type: none"> - ensures that equality of opportunity is a principle that is applied consistently to positions throughout the group, including executive and other leadership roles and Board positions; - ensures that for every employment opportunity, men and women will have equal opportunity in all aspects of the selection process; - to the extent reasonably possible, tailors job requirements to accommodate specific circumstances which would otherwise be a barrier to equal employment.
To ensure, through an internal policy framework and appropriate reporting, that subject to legal requirements and cultural sensitivities, there is no discrimination on the basis of race, colour, religion, sex, pregnancy, national origin, age, disability or	Redflex: <ul style="list-style-type: none"> - promotes an environment conducive to the appointment of well qualified employees, senior management and Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals;

genetic information. This will apply as appropriate to all activities of the Redflex group including advertising of employment opportunities, recruitment, job referrals, job assignments, promotion, pay and benefits, discipline, termination, training, reasonable accommodation, reasonable provision of facilities in the workplace, and reasonable flexibility in working conditions.	<ul style="list-style-type: none"> - identifies factors that should be taken into account in the selection processes and whether professional intermediaries should be used to identify or assess candidates; - identifies programs that may assist in skill development such as executive mentoring programs or programs relating to career advancement such as those that develop skills and experience that prepare employees for senior management and Board positions; and - articulates a corporate culture that not only supports workplace diversity but also recognises that employees at all levels of the company may have domestic responsibilities.
To enforce the Company's strict zero tolerance policy regarding discrimination and harassment in the workplace.	Redflex has a zero tolerance policy against discrimination of employees at all levels. Redflex also provides avenues for employees to voice their concerns or report any discrimination.

BOARD AND SENIOR EXECUTIVE PERFORMANCE EVALUATION

Board and Senior Executives

The effective functioning of the Board, along with the performance of the Company's senior executives, is a crucial element to achieving the desired financial, non-financial and governance outcomes for the Company. Performance of the Board, individual directors and key senior executives is therefore evaluated regularly and formally once per year against both measurable and qualitative indicators that are aligned with these financial, non-financial and governance outcomes.

The performance of directors is scheduled to be reviewed annually by the Board Chair with the assistance of the chair of the Nominations Committee. The performance of the Board Chair is also assessed by each non-executive director and the results are collated by the chair of the Nominations Committee. This review was completed for the reporting period.

The performance of the Group Chief Executive Officer is formally reviewed annually by the Nominations Committee and the Board each year. This review was completed for the reporting period.

The performance of other senior executives is reviewed annually by the Group Chief Executive Officer. These reviews took place for senior executives (other than for those senior executives who joined the Company after January 2015) during the reporting period.

Group Chief Executive Officer

The Nominations Committee undertook a review of the performance of the Group Chief Executive Officer for the reporting period. This review was based on measurable and qualitative indicators in the areas of the Redflex Group's financial performance and non-financial behaviours such as leadership and influence, corporate vision, culture building, decision-making and driving performance across the Company.

Outcomes

Outcomes of Board performance evaluations are discussed by the Board. For individual non-executive directors, if any areas are identified for improvement, this may be dealt with by informal mentoring and coaching by fellow directors or by the Board Chair. Further formal training and professional development activities may also be required for non-executive directors. In any case, all non-executive directors are encouraged to participate in continuing professional development.

The non-executive directors consider that the insights from the most recent Board evaluation include that, collectively, the Board has the desired level of financial and commercial acumen, has a diverse range of skills, experience, expertise and individual backgrounds, has a sound understanding of the Company's technology and its process for product innovation, has a sound understanding of the Company's customer base and needs, is able to understand the Company's risks and monitor the effectiveness of its risk management and compliance framework and understands the imperative for shareholder alignment. The Board has identified further Board gender diversity as a key objective along with continual improvement and effectiveness of its shareholder engagement.

If non-executive director performance is considered unsatisfactory, and not able to be improved significantly despite best efforts, the non-executive director would be requested to retire.

For the Group Chief Executive Officer and other senior executives, if performance is considered unsatisfactory, and not able to be improved significantly despite best efforts, the senior executive would be removed.

NOMINATIONS COMMITTEE

The Nominations Committee operates under a charter approved by the Board which is published in the “Investor Relations” section of the Redflex website.

The purpose of the Nominations Committee is to:

- identify and assess individuals qualified to become Board members;
- review succession plans for the Board, Group Chief Executive Officer and other senior executives;
- ensure performance of Board members is reviewed; and
- evaluate performance of the Board, as a whole.

The Company appoints an external firm to undertake appropriate background checks before appointing a person, or putting forward to security holders a candidate for election, as a director.

The Nominations Committee comprises the full Board (other than Mr Clark) and is chaired by Mr Schwarz, an independent director of the Board. The Nominations Committee was chaired by Mr Clark from 20 August 2014 until his appointment as Group Chief Executive Officer on 25 September 2014. Mr Clark ceased to serve on the Nominations Committee on 28 May 2015.

As at the year ended 30 June 2015, the number of times the Nominations Committee met throughout the reporting period, the members of the Nominations Committee and the individual attendances of the members at those meetings is set out in the sections below entitled “Directors’ and Board Committee meetings” and “Board Committee membership”.

STRUCTURE OF THE BOARD

To ensure that the Board is well equipped and appropriately qualified to discharge its responsibilities, it has established guidelines for the nomination and selection of directors and for the operation of the Board. The skills, experience and expertise of each director relevant to the position of director is included in the Directors’ Report (set out in the Annual Report) and is published on the Redflex website.

Directors of Redflex are considered to be independent when they are independent of management and free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, a director’s capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

In the context of director independence, “materiality” is considered from both the Redflex and the individual director’s perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it, and other factors which point to the actual ability of the director in question to shape the direction of Redflex. The Board regularly assesses whether each non-executive director is independent. If a non-executive director’s independent status changes during the reporting period, the Company will disclose this to the market promptly and without delay.

In accordance with the definition and the set materiality thresholds, the independence status of non-executive directors of the Company as at the year ended 30 June 2015 is as follows:

Adam Gray, Chair	
Clark Davey	Independent
Robert DeVincenzi	
David McIntyre	Independent
Herman Schwarz	Independent
Terence Winters	Independent

Accordingly, the Board of the Company comprises a majority of independent directors.

Mr Gray, although meeting other criteria, and bringing independent judgement to bear on his role, is not defined as independent within the ASX CGC Recommendations, primarily due to the fact that he is an officer of Coliseum Capital, which is a substantial shareholder of the Company. The Board acknowledges the ASX Recommendation that the Board Chair should be an independent director. However, as at the date of this statement, the Board believes that compliance is not in the best interests of the Company, particularly since the Board is confident that Mr Gray brings objective judgement to the Board’s deliberations and that Mr Gray makes invaluable contributions to the Company through his deep understanding of Redflex’s business.

Mr DeVincenzi is not an independent director within the definition above as he held the position of Chief Executive Officer of the Company for the period from 10 September 2012 to 16 January 2014.

The Board did not disclose a Board skills matrix for the reporting period. Nevertheless, newly appointed non-executive directors during the reporting period were appointed on the basis of their range of skills, experience, expertise and attributes that the Board

considered desirable for the Company, its business and its shareholders. The Board intends to disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership for the next reporting period.

Term in Office

The term in office held by each director in office as at the year ended 30 June 2015 is as follows:

Name	Appointed	Length of Service
Adam Gray, Chair	19 December 2013	1 year 6 months 11 days
Paul Clark	5 April 2014	1 year 2 months 25 days
Clark Davey	6 January 2015	5 months 24 days
Robert DeVincenzi	30 September 2012	2 years 9 months
David McIntyre	13 March 2015	3 months 17 days
Herman Schwarz	1 May 2014	1 year 1 month 29 days
Terence Winters	7 August 2013	1 year 10 months 23 days

DIRECTOR INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

The Company has a program for the induction of new directors to the Company. The Company provides new directors with briefings from Management and all relevant written background material related to the Company that a new director would reasonably expect to receive such as statutory information, past and present financial and non-financial information, information regarding directors' duties and responsibilities and access to past and present books and records of the Company.

Directors are also encouraged to participate in continuing professional development activities, attend or present seminars or courses and to participate in other activities designed to further develop their skills and knowledge. The Company also allows directors and officers, should they wish, to become members of the Australian Institute of Company Directors or other relevant professional associations or bodies with similar objectives of enhancing directors' skills and knowledge.

AUDIT COMMITTEE

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information, as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Board has delegated responsibility for establishing and maintaining a framework of internal control to the Audit Committee which operates under a charter approved by the Board that is published on the Redflex website.

The Audit Committee provides the Board with assurance regarding the reliability of financial information for inclusion in the financial reports.

The Audit Committee comprises three non-executive directors:

- Clark Davey, appointed committee chair 13 March 2015;
- Adam Gray, appointed 19 December 2013; and
- David McIntyre, appointed 28 May 2015.

During the year other members of the committee were:

- John Murphy, committee chair until 13 March 2015;
- Terence Winters until 28 May 2015; and
- Paul Clark until 28 May 2015.

Mr Clark resigned from his membership of the Audit Committee at the date of his appointment to Group Chief Executive Officer on 25 September 2014. Mr Winters was appointed to the Audit Committee on 25 September 2014 to replace Mr Clark and served until 28 May 2015.

Mr Murphy resigned from the Board and as chair of the Audit Committee on 13 March 2015. Mr Davey was appointed to the Audit Committee as a member on 6 January 2015 and assumed the role of chair of the Audit Committee on 13 March 2015 after the resignation of Mr Murphy.

Mr McIntyre joined the Audit Committee as a member to replace Mr Winters on 28 May 2015.

The relevant qualifications and experience of the members of the Audit Committee are set out in the Directors' Report (set out in the Annual Report) and is published on the Redflex website.

As at the year ended 30 June 2015, the number of times the Audit Committee met throughout the reporting period, the members of the Audit Committee and the individual attendances of the members at those meetings is set out in the sections below entitled "Directors' and Board Committee meetings" and "Board Committee membership".

GROUP CEO AND CFO CERTIFICATION

The Group Chief Executive Officer and the Group Chief Financial Officer have both provided a written declaration to the Board that complies with section 295A(2) of the *Corporations Act 2001* (Cth) that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.

The Group Chief Executive Officer and the Group Chief Financial Officer have each given a written assurance to the Board that the opinion forming the basis for the declaration made by each of them, and referred to above, was formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUDITOR

The internal auditor is invited to attend the Annual General Meeting as required by section 249K of the *Corporations Act 2001* (Cth). The Company also ensures that the auditor confirms attendance at the Annual General Meeting and that members are given a reasonable opportunity to ask questions of the auditor at the Annual General Meeting (pursuant to section 250T of the *Corporations Act 2001* (Cth)).

CONTINUOUS DISCLOSURE AND COMMUNICATION POLICY AND PROCEDURE

Pursuant to Principle 6 of the ASX CGC Recommendations, the Company's objective is to promote effective two-way communication with its shareholders, and is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the Group's activities in a balanced and understandable way;
- complying with the continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001* (Cth) in Australia; and
- communicating effectively with shareholders and making it easy for shareholders to communicate with the Company.

The Company's "Continuous Disclosure and Communications Policy and Procedure" is published in the "Investor Relations" section of the Redflex website.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- through the release of information to the market via the Australian Securities Exchange;
- through the Annual Report and notices of general meetings;
- through letters and other forms of communications directly with shareholders; and
- by publishing relevant information on the Redflex website.

The Redflex website has dedicated "Investor Relations" and "Corporate Governance" sections for the purpose of publishing important Company information and relevant announcements made to the market.

The Company also provides its shareholders with the option to receive communications from, and send communications to, the Company and the Company's share registry electronically.

RISK & COMPLIANCE

Effective risk management and observance of compliance obligations is viewed as an essential part of the Company's governance approach to ethical decision-making and creating long-term shareholder value.

In recognition of this, the Board is responsible for overseeing and approving the Risk & Compliance Policy and Framework (which is available on the Redflex website and which is reviewed annually). This framework sets the tone for risk and compliance management in the Company. It also sets out how risk and compliance management supports the Company's goals and objectives, the Company's principles and objectives of, and its approach to, risk and compliance management and the relevant responsibilities for risk and compliance within the Company.

The Company's Risk & Compliance Committee was separately formed on 24 June 2014 to assist the former Audit and Risk Committee (now Audit Committee) with its workload. Under its charter, the Risk & Compliance Committee has primary responsibility to oversee and make recommendations to the board about the Company's Risk & Compliance Policy and Framework, the effectiveness of the Company's risk and compliance program in managing such program to minimize losses and to maximize opportunities, the implementation of risk and compliance action plans prepared by management and to review these plans and the Company's global insurance program.

The Risk & Compliance Committee initially operated by transitioning the risk and compliance duties and responsibilities from the former Audit and Risk Committee. During this transition the Board assumed the monitoring and oversight responsibilities for risk and compliance with the assistance of the outgoing committee chair (Mr McConnell) and the incoming committee chair (Mr DeVincenzi) providing regular reports to the Board on risk and compliance matters. The Board formally approved a separate Risk & Compliance Committee Charter on 28 May 2015 and is available on the "Investor Relations" section of the Redflex website.

The Risk & Compliance Committee members are:

- Robert DeVincenzi, committee chair;
- Herman Schwarz; and
- Terence Winters, appointed 28 May 2015.

During the year other members of the committee were:

- Michael McConnell, committee chair until 13 November 2014; and
- Paul Clark until 28 May 2015.

The Board, and through the Risk & Compliance Committee, oversees an annual assessment of the effectiveness of risk and compliance management and internal control within the Company. While the Company does not currently have a separate internal audit function, the tasks of undertaking and assessing risk management, compliance and internal control effectiveness is delegated to the Risk & Compliance Committee and for it to report to the Board. The key areas of focus for the Risk & Compliance Committee include monitoring and reviewing the compliance program, internal policies and procedures, risk management and insurance, the legal obligations of the Company, compliance investigations by management, reports and complaints, internal controls (in conjunction with the Audit Committee) and seeking assurances from management.

Management, through the Group Chief Executive Officer, is responsible for the day-to-day implementation and achievement of the Company's risk and compliance program and objectives. Management reports to the Risk & Compliance Committee which, in turn, reports to the Board on the Company's key risks and compliance obligations and the extent to which it believes these risks and compliance obligations are being adequately managed.

The Board acknowledges the ASX CGC Recommendation that the chair of the Risk & Compliance committee should be an independent director. However, as at the date of this statement, the Board believes that compliance with the ASX CGC Recommendation is not in the best interests of the Company. While Mr DeVincenzi is not an independent director (according to the definition of independence referred to in the "Structure of the Board" section of this statement), as the chair of the Risk & Compliance Committee, Mr DeVincenzi brings to this committee significant skills, knowledge and experience in relation to risk and compliance management and oversight. Mr DeVincenzi also has a sound understanding of the Company's risks and compliance obligations and how the proper management of these enhances ethical decision-making and governance outcomes.

As at the year ended 30 June 2015, the number of times the Risk & Compliance Committee met throughout the reporting period, the members of the Risk & Compliance Committee and the individual attendances of the members at those meetings is set out in the sections below entitled "Directors' and Board Committee meetings" and "Board Committee membership".

ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

Redflex develops and manufactures a wide range of high-performing digital photo enforcement solutions including red light, speed and school bus stop arm systems which utilise the most advanced sensor and image capture technologies available. Redflex also owns and operates one of the largest networks of digital speed and red-light enforcement systems in the world.

Our continuous development of new road safety products has been helping to save lives for more than 20 years.

The economic risks that the Company is subject to and must manage are set out in the "Risk Management" section of the Directors' Report set out in the Annual Report.

In general, the Board considers that the Company is not susceptible to material environmental or social sustainability risks in operating this business.

PEOPLE, CULTURE & REMUNERATION

The Company's objective is to provide maximum stakeholder benefit from the retention of a high-quality Board and senior executives by remunerating directors, senior executives and employees fairly and appropriately with reference to relevant

employment market conditions. To assist in achieving this objective, the nature and amount of executive directors' and officers' compensation is linked to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key senior executives;
- attraction of quality management to the Company; and
- performance initiatives which allow executives to share the rewards of the success of the Company.

The Company prepares, and has signed, a written employment agreement with each executive director and senior executive, respectively, setting out the terms and conditions of employment.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by key management personnel, please refer to the Remuneration Report set out in the Directors' Report of the Annual Report.

The Board is responsible for determining and reviewing compensation arrangements for the non-executive directors, the Group Chief Executive Officer and the Company Secretary. There is no scheme to provide retirement benefits to non-executive directors, except for superannuation, where it is applicable.

The People, Culture & Remuneration Committee operated under the former Remuneration Committee Charter until 28 May 2015. On 28 May 2015 a new charter was approved by the Board and the Committee was renamed the People, Culture & Remuneration Committee. The People, Culture & Remuneration Committee Charter is published on the Redflex website.

The People, Culture & Remuneration Committee comprises four non-executive directors:

- Terence Winters, committee chair;
- Adam Gray;
- Clark Davey, appointed 6 January 2015; and
- Herman Schwarz.

During the year other members of the People, Culture & Remuneration Committee (formerly the Remuneration Committee) were:

- Michael McConnell until 13 November 2014.

As at the year ended 30 June 2015, the number of times the People, Culture & Remuneration Committee met throughout the reporting period, the members of the People, Culture & Remuneration Committee and the individual attendances of the members at those meetings is set out in the sections below entitled "Directors' and Board Committee meetings" and "Board Committee membership".

DIRECTORS' AND BOARD COMMITTEE MEETINGS

Directors' and Board Committee meetings held and attended during the year ended 30 June 2015 were:

No. of meetings	Board		Audit Committee		People, Culture & Remuneration Committee		Risk & Compliance Committee		Nominations Committee	
	Available	Attended	Available	Attended	Available	Attended	Available	Attended	Available	Attended
Adam Gray	14	12	4	4	4	3	-	-	2	2
Paul Clark	14	14	3	3	-	-	3	3	-	-
Robert DeVincenzi	14	13	-	-	-	-	4	4	2	2
Clark Davey	8	8	2	2	2	2	-	-	1	1
David McIntyre	6	5	1	1	-	-	-	-	1	1
Herman Schwarz	14	13	-	-	4	4	4	4	2	2
Terence Winters	14	14	1	1	4	4	1	1	2	2
Michael McConnell	4	4	-	-	1	1	3	3	1	1
John Murphy	7	7	3	3	-	-	-	-	1	1

Notes:

Mr McConnell ceased to be a director on 13 November 2014.

Mr Murphy ceased to be a director on 13 March 2015.

Mr Davey was appointed as a non-executive director on 6 January 2015.

Mr McIntyre was appointed as a non-executive director on 13 March 2015.

BOARD COMMITTEE MEMBERSHIP

At the year ended 30 June 2015, the Company has four board committees – Audit Committee, People, Culture & Remuneration (PCR) Committee, Risk & Compliance Committee and Nominations Committee.

Members acting on the committees of the Board during the year were:

	Audit	People, Culture & Remuneration	Risk & Compliance	Nominations
Adam Gray	Member	Member	-	Member
Paul Clark	Member to 28 May 15	-	Member to 28 May 15	Member to 28 May 15
Clark Davey	Member from 6 Jan 15 Current Chair from 13 Mar 15	Member from 6 Jan 15	-	Member from 6 Jan 15
Robert DeVincenzi	-	-	Current Chair from 13 Nov 14	Member
Michael McConnell	-	Member to 13 Nov 14	Chair to 13 Nov 14	Member to 13 Nov 14
David McIntyre	Member from 28 May 15	-	-	Member from 13 Mar 15
John Murphy	Chair to 13 Mar 15	-	-	Member to 13 Mar 15
Herman Schwarz	-	Member	Member	Current Chair
Terence Winters	Member to 28 May 15	Current Chair	Member from 28 May 15	Member

DEALING IN REDFLEX SECURITIES POLICY

The Company's "Dealing in Redflex Securities Policy" prohibits senior executives, directors and other employees, consultants and contractors (together "Designated Persons") trading in the Company's securities at any time when they are in possession of price sensitive information in relation to those securities that has not been released to the market.

The Dealing in Redflex Securities Policy contains a procedure for obtaining prior written trading clearances and also the exceptions to the restrictions in dealing in the Company's securities.

A Restricted Person (being senior executives, directors and their closely related parties) will be entitled to deal in the Company's securities as a matter of course (unless there is in existence price sensitive information that has not been disclosed as a result of the Company's reliance on an exception under the ASX Listing Rules or the Restricted Person is otherwise in possession of price sensitive information) and without the requirement to obtain prior written clearance in the following periods:

- 31 August to 31 December;
- 1 March to 30 June; and
- during the four week period after release of a disclosure document to the ASX,

(collectively, "Trading Windows"). Only in exceptional circumstances will approval be given to trade outside these periods.

No Designated Person entitled to an equity based component of incentive remuneration may trade or commit to trade in a Company security, trade in a derivative security product or enter into any arrangement in such a way as to limit his or her exposure to risks in relation to any unvested part of an equity based remuneration component without the prior consent of the Board.

Designated Persons may not include their securities in a margin loan portfolio or otherwise deal in securities pursuant to a margin lending arrangement without first obtaining the consent of the Group Chief Financial Officer (where the Designated Person is not the Group Chief Financial Officer) or the Group Chief Executive Officer (where the Designated Person is the Group Chief Financial Officer).

Designated Persons should not engage in short-term trading of the Company's securities except on the exercise of options held by a Designated Person and where the shares received on exercise of the options will be sold shortly thereafter.

As required by ASX Listing Rules, the Company notifies the ASX of any transaction in the Company's securities by a director.

29 September 2015

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

REDFLEX HOLDINGS LIMITED

ABN / ARBN:

96 069 306 216

Financial year ended:

30 JUNE 2015

Our Corporate Governance Statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.redflex.com/index.php/en/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 30 June 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date:

29 SEPTEMBER 2015

Name of Director or Secretary authorising
lodgement:

CRAIG RICHARD DURHAM, COMPANY SECRETARY

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Board%20Charter.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Board%20Charter.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Nominations%20Committee%20Charter.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Audit%20Committee%20Charter.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Continuous%20Disclosure%20and%20Communications%20Policy%20and%20Procedure.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at www.redflex.com.au and http://www.redflex.com/index.php/en/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Continuous%20Disclosure%20and%20Communications%20Policy%20and%20Procedure.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/People.%20Culture%20and%20Remuneration%20Committee%20Charter.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.redflex.com/documents/public_documents/corporate_governance/Dealing%20in%20Redflex%20Securities%20Policy.pdf</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>