

PEOPLE, CULTURE AND REMUNERATION COMMITTEE CHARTER

16 November 2016

1. GENERAL SCOPE AND AUTHORITY

1.1 Introduction

This charter governs the operations of the People, Culture and Remuneration (**PCR**) Committee of Redflex Holdings Limited (**Company**).

1.2 Purpose

The PCR Committee is part of the Board of Directors of the Company (**Board**) and its purpose is to assist the Board in the effective discharge of its duties (see paragraph 5 below) and responsibilities (see paragraph 4 below) in relation to the people, culture and remuneration function within the Company.

1.3 Authority

The Committee is required to make recommendations to the Board and does not have any executive powers to commit the Board or management to the implementation of these recommendations, other than where the Board has delegated authority to the Committee.

1.4 Retention of Board responsibility

The Board retains overall responsibility for oversight of the Company's people, culture and remuneration function.

1.5 Access to Books and Records

In discharging its oversight role, the Committee is able to have full access to all of the Company's books, records, facilities, and personnel and has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties and responsibilities.

2. MEMBERSHIP

- (a) The PCR Committee shall be at least three (3) members and shall comprise a majority of independent non-executive directors and an independent chairperson who is not the chairperson of the Board.
- (b) Membership of the PCR Committee shall be determined by the Board.
- (c) In the event that a member of the Committee retires from the Board for any reason then that member shall cease to be a member of this Committee.

3. MEETINGS

- (a) The Committee shall meet as frequently as required or as determined by the Committee chairperson but not less than once per year with an agenda and briefing papers circulated in a timely manner prior to the meeting.
- (b) Any member of the PCR Committee may request to convene a meeting of the PCR Committee.

- (c) The Company Secretary shall be the secretary of this Committee unless the Board or the Committee otherwise directs.
- (d) The Committee chairperson may direct the Company Secretary or some other individual to prepare an agenda for a PCR Committee meeting for the Committee chairperson's approval prior to distribution.
- (e) A quorum of two members shall be present prior to commencing a meeting. If the Committee chairperson is not present for a meeting of the Committee, a chairperson for that meeting shall be elected by the members present to act as chairperson for that particular meeting.
- (f) Minutes shall be taken at PCR Committee meetings by the Company Secretary or by any other individual present at the meeting. Within a reasonable time after a Committee meeting a draft of the minutes must be prepared and presented to the Committee chairperson for approval prior to distribution. The approved draft minutes will then be circulated to the other members of the Committee and to the Board. Minutes will be confirmed at the next scheduled meeting of the Committee.
- (g) The Committee may invite any member of management, adviser, consultant or other individual to attend meetings.
- (h) For the avoidance of doubt, any non-executive director who wishes to attend a PCR Committee meeting has a standing invitation to do so.
- (i) No director or executive is entitled to attend a PCR Committee meeting where that director's or executive's remuneration is being discussed.

4. RESPONSIBILITIES

The PCR Committee has the primary responsibility to oversee and make recommendations to the Board on the following matters:

- (a) the overall remuneration policy for the Company;
- (b) the Company's overall remuneration, recruitment, retention and termination policies for senior executives;
- (c) the policies relating to senior executive remuneration and incentives;
- (d) the remuneration framework for non-executive directors;
- (e) the annual performance review of the Group Chief Executive Officer;
- (f) monitoring the terms and effectiveness of senior executive incentive plans;
- (g) the Company's people and culture including in relation to diversity;
- (h) superannuation arrangements for all Company employees; and
- (i) other matters referred to the PCR Committee by the Board.

5. DUTIES

5.1 General duty

The PCR Committee has the general duty to make recommendations to the Board to assist it in fulfilling its responsibilities set out in this Charter and to ensure that:

- (a) the Company and its related entities have the appropriate:
 - (i) remuneration policies in place to attract and retain non-executive directors and senior executives who add value;
 - (ii) people and culture strategies and initiatives in place for the Company to attract and retain employees who add value;
- (b) adequate disclosure is made by the Company and its related entities to:
 - (i) enable investors and other stakeholders to understand the cost and benefits of the Company's remuneration policies; and
 - (ii) establish the link between non-executive director and senior executive remuneration with the corporate performance of the Company and its related entities.
- (c) the Company complies with its Constitution, all applicable rules, regulations and ASX listing rules in relation to non-executive director and senior executive remuneration.

5.2 Additional duties

The PCR Committee will also review and make recommendations to the Board in relation to:

- (a) policies for the remuneration of non-executive directors (including in relation to non-executive director fees, travel and other business related expenses, non-cash benefits and any non-executive director share plan);
- (b) policies for the remuneration of senior executives (including any short and long-term remuneration arrangements of the Group CEO and, in consultation with the Group CEO, the short and long-term remuneration arrangements of senior executives);
- (c) policies for the remuneration of other executives directly below senior executive level (including participation in long-term remuneration arrangements for these executives if such participation includes the grant or award of Company securities);
- (d) any gender or other bias in remuneration for non-executive directors, senior executives, other executives directly below senior executive level and employees of the Company and its related entities;
- (e) the remuneration framework for non-executive directors of the Company and its related entities, including the process by which any pool of directors' fees which has been approved by shareholders is allocated to non-executive directors; and
- (f) whether any pool of directors' fees which has been approved by shareholders needs to be reviewed and the mechanism for such review.

5.3 Incentive Plans

The PCR Committee will also review and make recommendations to the Board in relation to:

- (a) any proposed new senior executive incentive plans or the amendment of any existing senior executive incentive plans (including those that involve, either whole or in part, the grant or award of Company securities);
- (b) long term incentive grants, payments or awards to be made to senior executives;
- (c) long term incentive grants, payments or awards to be made to executives directly below senior executive level (if such grants, payments or awards include the grant or award of Company securities);
- (d) the available pool of funds (if any) available to make payments or awards (if any) under any incentive plans, including the financial or other impact of making these payments or awards;
- (e) delegating power for the operation and administration of all Company incentive plans to management (as appropriate).

5.4 Annual Performance Review of Group CEO

The PCR Committee will also review and make recommendations to the Board to assist the Chairperson of the Board in the annual performance review of the Group CEO.

5.5 Human Resources and Remuneration Policies

The PCR Committee will also review and make recommendations to the Board in relation to:

- (a) any necessary changes to the overall Company policy regarding remuneration and incentive plans;
- (b) oversight of the establishment and implementation of the appropriate human resources policies for the Company (within the overall policy framework approved by the Board); and
- (c) ensuring remuneration packages across the Company are equitable and reward talent and performance.

5.6 Remuneration Report

The PCR Committee will also have oversight over management's preparation of the annual remuneration report for inclusion in the Company's annual report, and recommend the report, with the Audit Committee, to the Board for approval, as appropriate.

5.7 People and Culture

The PCR Committee also has the responsibility to:

- (a) monitor the development of strategies aimed at improving the Company's culture, senior executive and employee development, succession and talent management practices;
- (b) monitor the effective delivery of the human resource function within the Company;
- (c) monitor and provide input and direction on the Company's management diversity and employment practices;
- (d) ensure the Company maintains the cultural attributes to attract and retain directors, senior executives and employees who add value;
- (e) ensure the Company has appropriate employee wellbeing strategies including an effective employee assistance program; and



- (f) review and monitor other initiatives aimed at continual improvement of the Company's people and culture.

5.8 Other matters

The PCR Committee will also review and make recommendations to the Board on any other referred to it by the Board.

6. REPORTING

The PCR Committee chairperson will prepare and deliver a report from the Committee to the Board at the next scheduled meeting of the Board after the Committee meets. Such report should include all matters that should be brought to the attention of the Board including the Committee's recommendations in relation to such matters.

7. COMMITTEE PERFORMANCE

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

8. REVIEW OF CHARTER

- (a) The Board will review this Charter at least annually to ensure it complies with applicable legal requirements and remains relevant and effective.
- (b) This Charter is not intended to be contractual in nature.
- (c) The Board may change this Charter at any time.

9. PUBLICATION

A copy of this Charter will be available on the Company's website (www.redflex.com) or made available on request.