

ASX ANNOUNCEMENT

31 March 2017

Redflex Holdings Limited | ABN 96 069 306 216

Redflex 

Redflex Securities Trading Policy

Attached is a copy of the Redflex Securities Trading Policy, which was recently updated and approved by the Board of the Company on 30 March 2017.

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REDFLEX SECURITIES TRADING POLICY

Approved 30 March 2017

1. INTRODUCTION

- (a) This Policy sets out the Company's policy on any Dealing in Redflex Securities by Designated Persons including the additional restrictions that are imposed on those Designated Persons who are Restricted Persons.
- (b) This Policy applies to all Redflex Securities.
- (c) If you do not understand any part of this Policy, the summary of the law, or how it applies to you, you should raise the matter with the Group General Counsel & Company Secretary before Dealing in any Redflex Securities.

2. DEFINITIONS

- (a) **ASX** means the Australian Securities Exchange.
- (b) **Board** means the board of directors of the Company.
- (c) **Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
- (d) **Closed Period** has the meaning set out in Section 5 of this Policy.
- (e) **Company** means Redflex Holdings Limited ABN 96 069 306 216.
- (f) **Deal(s) in Redflex Securities** or **Dealing in Redflex Securities** means doing any of the following things:
 - (i) applying for or acquiring or disposing of Redflex Securities or agreeing to do so (**Trade**);
 - (ii) procuring, encouraging, inciting or inducing any other person to Trade (**Procure a Trade**); or
 - (iii) directly or indirectly communicating Price Sensitive Information, or causing Price Sensitive Information to be communicated, to any other person who would be likely to Trade or Procure a Trade.
- (g) **Designated Person** has the meaning set out in Section 4(a) of this Policy.
- (h) **Generally Available Information** means information that:
 - (i) consists of readily observable matter;
 - (ii) is made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Redflex Securities or securities of a kind similar to Redflex Securities, and a reasonable period

has elapsed to allow the information to be disseminated among such persons; or

- (iii) consists of deductions, conclusions or inferences made or drawn from the above types of information.
 - (i) **Group** means the Company and its subsidiaries.
 - (j) **Immediate Family Member** means a family member of a Designated Person who may be expected to influence, or be influenced by, the Designated Person in Dealings with Redflex Securities. An Immediate Family Member includes:
 - (i) the Designated Person's partner or spouse; and
 - (ii) the Designated Person's dependent children, or their spouse or partner's dependent children.
 - (k) **Key Management Personnel** has the meaning given to that term in the applicable Australian Accounting Standards.
 - (l) **Price Sensitive Information** is information that:
 - (i) is not Generally Available Information; and
 - (ii) if it were Generally Available Information, a reasonable person would expect it to have a material effect on the price or value of Redflex Securities or on a decision to buy or sell Redflex Securities.
- The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is Price Sensitive Information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.
- Importantly, a person need not be an "insider" to come across Price Sensitive Information. That is, it does not matter how the person comes to know the Price Sensitive Information (for example, the person could learn it in the course of carrying out their responsibilities or in passing in the corridor or at a social function).
- (m) **Redflex Securities** includes all shares, options or other securities of the Company including financial products issued or created over or in respect of any such securities.
 - (n) **Restricted Person** has the meaning set out in Section 4(e) of this Policy.
 - (o) **Trading Window** means any period of time outside a Closed Period.

3. PROHIBITION AGAINST INSIDER TRADING

- (a) A Designated Person must not (either on their own behalf or on behalf of someone else) Deal in Redflex Securities if they are in possession of Price Sensitive Information regarding the Group or Redflex Securities.
- (b) Importantly, a Designated Person must also not communicate Price Sensitive Information to another person (including, but not limited to, a spouse, relative, friend, trustee of a family trust or directors of a family company) who may Deal in Redflex Securities.
- (c) A person who is in possession of Price Sensitive Information and Deals in Redflex Securities may contravene the *Corporations Act 2001* (Cth) and expose themselves to civil and criminal liability.

4. GENERAL TRADING RESTRICTIONS

Designated Persons

- (a) A **Designated Person** is any director, officer, employee, consultant or contractor of any member of the Group, their Immediate Family Members and any companies, trusts and entities controlled by such person or any of their Immediate Family Members (or that the person or any of their Immediate Family Members can influence whether they Deal in Redflex Securities) and includes Restricted Persons.
- (b) A Designated Person, who is not a Restricted Person, **may** Deal in Redflex Securities at any time during the year (other than during a Closed Period under Section 5 of this Policy unless that person has received written clearance under Sections 6 and 7 of this Policy or if Section 8 of this Policy applies to the proposed Dealing in Redflex Securities) but not if that person is in possession of Price Sensitive Information about the Group or Redflex Securities.
- (c) A Designated Person **cannot** Deal in Redflex Securities unless they have satisfied themselves that they do not possess any Price Sensitive Information about the Group or Redflex Securities.
- (d) If a Designated Person has any queries in relation to whether or not they possess any Price Sensitive Information relating to the Group or Redflex Securities, they should raise that question with the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Designated Person is the Group General Counsel & Company Secretary).

Restricted Persons

- (e) A **Restricted Person** is:
 - (i) any member of the Company's Key Management Personnel (including but not limited to executive and non-executive directors of the Company);
 - (ii) any officer of any member of the Group who is not included in paragraph (i);

- (iii) the Immediate Family Members of any person referred to in paragraph (i) or (ii); and
 - (iv) any companies, trusts and entities that a person referred to in paragraphs (i), (ii) or (iii) controls or can influence whether they Deal in Redflex Securities.
- (f) A Restricted Person is only permitted to Deal in Redflex Securities in the following cases:
- (i) if the Restricted Person has received written clearance under Sections 6 and 7 of this Policy; or
 - (ii) if Section 8 of this Policy applies to the proposed Dealing in Redflex Securities,

and provided that the Restricted Person is not in possession of Price Sensitive Information about the Group or Redflex Securities.

5. CLOSED PERIODS

- (a) The Company's Closed Periods are:
- (i) 30 November to the second trading day (inclusive) after the Company's half year results are released to the ASX; and
 - (ii) 31 May to the second trading day (inclusive) after the Company's annual results are released to the ASX.

A Designated Person (including those that are not Restricted Persons) must not Deal in Redflex Securities during a Closed Period, unless that person has received written clearance under Sections 6 and 7 of this Policy or if Section 8 of this Policy applies to the proposed Dealing in Redflex Securities.

- (b) In addition to the Closed Periods set out in Section 5 (a) of this Policy, the Board has the power, and the Board has also delegated to the Group General Counsel & Company Secretary the power, to direct some or all Designated Persons or Restricted Persons at any time, in their respective absolute discretion, that any Dealing in Redflex Securities is prohibited (including during a period that would otherwise fall within a Trading Window). The relevant Designated Persons or Restricted Persons must comply with any such direction from either the Board or the Group General Counsel & Company Secretary (as applicable) while it is in place. For the purposes of this Policy, any such designated period is a Closed Period for the Designated Persons or Restricted Persons the subject of the direction.

6. REQUEST FOR PRIOR WRITTEN CLEARANCE TO DEAL IN REDFLEX SECURITIES

- (a) Subject to Section 8, a Restricted Person may only Deal in Redflex Securities with the prior written clearance of the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Restricted Person is the Group General Counsel & Company Secretary).

- (b) Subject to Section 8, a Designated Person (other than a Restricted Person) may only Deal in Redflex Securities during a Closed Period with the prior written clearance of the Group General Counsel & Company Secretary.
- (c) The Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) will provide prior written clearance to the Restricted Person to Deal in Redflex Securities during a Trading Window:
 - (i) if the Restricted Person confirms to the Group General Counsel & Company Secretary that the Restricted Person has satisfied themselves that they do not possess any Price Sensitive Information about the Group or Redflex Securities; and
 - (ii) after taking into consideration the Group's circumstances at the time, the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) reasonably believes that the risk of insider trading, or the appearance of insider trading, is not unacceptable.
- (d) The Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) will only grant prior written clearance to a Designated Person to Deal in Redflex Securities during a Closed Period if the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) is satisfied that:
 - (i) in his or her discretion, "exceptional circumstances" exist which would warrant approval to Deal in Redflex Securities during the relevant Closed Period;
 - (ii) if the Designated Person confirms to the Group General Counsel & Company Secretary that the Designated Person has satisfied themselves that they do not possess any Price Sensitive Information about the Group or Redflex Securities; and
 - (iii) after taking into consideration the Group's circumstances at the time, the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) reasonably believes that the risk of insider trading, or the appearance of insider trading, is not unacceptable.
- (e) For the purposes of Section 6(d) of this Policy, "exceptional circumstances" would ordinarily be limited to situations of financial hardship and then only in the event that the person involved is not in possession of Price Sensitive Information about the Group or Redflex Securities. In such circumstances, the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) will only give their written clearance after making appropriate enquiries with relevant Board members.

7. HOW A PERSON OBTAINS PRIOR WRITTEN CLEARANCE UNDER SECTION 6

- (a) If a Designated Person wishes to Deal in Redflex Securities during a Closed Period or any other period that is restricted under this Policy, the person must give the Group General Counsel & Company Secretary or the Group Chief Executive Officer



(as applicable) prior written notice before the proposed Dealing in Redflex Securities.

- (b) The person must receive written clearance from the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) before Dealing in Redflex Securities the subject of the written clearance.
- (c) Unless the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) specifies otherwise the written clearance will be valid for a period of five trading days following the date on which the written clearance is provided to the person. However, written clearance is automatically deemed to be withdrawn if the person becomes aware of Price Sensitive Information prior to effecting a Dealing.
- (d) Written clearances to Deal in Redflex Securities can be given, withdrawn or refused by the Group General Counsel & Company Secretary or the Group Chief Executive Officer (as applicable) in their discretion without giving any reasons. A decision to refuse approval is final and binding on the person seeking the approval. If approval to Deal in Redflex Securities is refused the person seeking the approval must keep that information confidential and not disclose it to anyone. Any written clearance to Deal in Redflex Securities under this Policy is not an endorsement from the Company and the person doing the Dealing in Redflex Securities is individually responsible for their investment decisions and their compliance with insider trading laws.
- (e) The insider trading prohibitions apply even when a Dealing in Redflex Securities is permitted under this Section if it is undertaken by, or procured by, someone in possession of Price Sensitive Information at the time of the Dealing.
- (f) All requirements for writing under this Section of the Policy can be satisfied by use of email.

8. EXCEPTIONS TO RESTRICTIONS ON DEALING IN REDFLEX SECURITIES

Subject to applicable insider trading laws and the Designated Person not being in possession of Price Sensitive Information about the Group or Redflex Securities, the requirement for seeking prior written clearance to Deal in Redflex Securities by Designated Persons does not apply to the following transactions:

- (a) a disposal of Redflex Securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (b) a disposal of rights acquired under a pro-rata issue by the Company;
- (c) the acquisition of Redflex Securities under a pro-rata issue by the Company;
- (d) the acquisition of Redflex Securities under an employee incentive scheme;
- (e) the acquisition of Redflex Securities under a dividend reinvestment plan or securities purchase plan provided that the Designated Person did not commence or amend their participation in the plan during a Closed Period (noting that this Policy does not permit Designated Persons to withdraw from such plans during a

Closed Period other than in exceptional circumstances approved by the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Designated Person is the Group General Counsel & Company Secretary));

- (f) Dealing in Redflex Securities where the Dealing results in no change in the beneficial interest in Redflex Securities;
- (g) the transfer of Redflex Securities already held by a Designated Person into a superannuation fund or other saving scheme in which the Designated Person is the sole beneficiary;
- (h) indirect and incidental trading that occurs as a consequence of the Designated Person's dealings in securities issued by a managed investment scheme, listed investment company, exchange traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio Redflex Securities;
- (i) trading under a non-discretionary trading plan for which prior written clearance has been provided by the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Designated Person is the Group General Counsel & Company Secretary) and where:
 - (i) the Designated Person did not enter into the plan or amend the plan during a Closed Period; and
 - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or whether to trade;

and noting that this Policy does not allow for the cancellation of the trading plan during a Closed Period (other than in exceptional circumstances approved by the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Designated Person is the Group General Counsel & Company Secretary)).

9. NO SHORT TERM DEALING IN REDFLEX SECURITIES

Designated Persons must not engage in short-term Dealing in Redflex 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.

10. NO HEDGING

- (a) A Restricted Person must not, without prior written approval by the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Restricted Person is the Group General Counsel & Company Secretary), engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to Redflex Securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Redflex Securities.
- (b) This provision includes engaging in hedging or other arrangements that would have the effect of limiting the economic risk in connection with Redflex Securities

including Redflex Securities which are unvested, subject to a holding lock or issued pursuant to an equity based remuneration scheme.

11. MARGIN LENDING ARRANGEMENTS

Restricted Persons may not include Redflex Securities in a margin loan portfolio or otherwise Deal in Redflex Securities pursuant to a margin lending arrangement without first obtaining the consent of the Group General Counsel & Company Secretary or the Group Chief Executive Officer (if the Restricted Person is the Group General Counsel & Company Secretary).

12. NOTIFICATION AND DISCLOSURE

Any Restricted Person:

- (a) who Deals in Redflex Securities must notify the Chairman in writing of the details of the transaction within five Business Days of the transaction occurring; and
- (b) who is a director of the Company must also notify the Group General Counsel & Company Secretary within two Business Days of the transaction occurring and must provide sufficient information regarding the transaction to enable the Company to comply with its ASX reporting obligations.

13. CONSEQUENCES FOR BREACH OF THIS POLICY

Insider trading is a serious offence under the *Corporations Act 2001* (Cth). A breach of this Policy by any person:

- (a) could expose such person to criminal (a fine or imprisonment or both) and civil liability (a financial penalty and liability for damages);
- (b) will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal; and
- (c) may cause such persons to be liable to compensate any other person (which may include the Group) who suffers loss or damage resulting from the breach of this Policy.

14. REVIEW

This Policy will be reviewed regularly by the Board having regard to the changing circumstances of the Company and to ensure that it remains current and effective.

15. PUBLICATION

This Policy will be published in the Investor Relations / Corporate Governance section of the Company's website www.redflex.com. A copy of the Policy will be made available on request. A copy of any amended Policy will be notified to ASX within five Business Days of any material changes taking effect.