



REDFLEX
H O L D I N G S

Redflex Holdings Limited

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Release to Australian Stock Exchange

26 September 2003. The directors propose to grant Options over ordinary shares to key executives and directors as part of the Company's overall incentive policies. The intent is to align the interests of key executives to those of shareholders, to encourage the levels of commitment necessary to grow the company and to promote a focus on longer-term employment for the benefit of the Company.

The Options will be issued in accordance with the existing Redflex Employee Option Plan on the following terms:

- (a) One third of the Options will vest on 1 February 2004;
- (b) One third will vest on 1 February 2005;
- (c) One third will vest on 1 February 2006;
- (d) Options cannot be exercised until after the vesting date.
- (e) The options expire after 5 years;
- (f) 1,800,000 of the options are at an exercise price of \$0.50
- (g) The exercise price of the remaining options is nominally \$0.58 and increases at the rate of 3% per annum (compounding) until the time of exercise.
- (h) Options that have not vested cannot be exercised after termination of employment.

The Options, entitling the holder to subscribe for one ordinary share, will form a separate class of unlisted Employee Options. The maximum number to be issued is 5,775,000, of which 900,000 are proposed to be issued to the executive director and 420,000 are proposed to be issued to non-executive directors subject to shareholder approval which will be sought at the Company's forthcoming Annual General Meeting on 25 November.

For further information:

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