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**RTSI Anti-Bribery Compliance Procedures**  
**Executive Summary and Detailed Procedures**

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## EXECUTIVE SUMMARY

### **NOTE: REDFLEX EMPLOYEE, DIRECTOR, AND OTHER OBLIGATIONS**

All Redflex employees, directors, and others, such as Commercial Intermediaries, to whom this Policy applies by written agreement, are responsible for reading and complying with the Redflex Global Anti-Bribery and Anti-Corruption Policy and the RTSI Anti-Bribery Compliance Procedures relating to Commercial Intermediaries, Gifts and Hospitality, Charitable, Political, and Sponsorship Contributions, and Financial and Accounting Policies (hereinafter "RTSI Anti-Bribery Compliance Procedures").

This Executive Summary is designed to provide a brief overview of the RTSI Anti-Bribery Compliance Procedures—it is not a substitute for reading the complete RTSI Anti-Bribery Compliance Procedures.

**Failure to read and comply with the all Redflex Anti-Bribery Policies and Procedures may result in severe disciplinary action, up to and including termination.**

### **DUTY TO REPORT**

All Redflex employees, directors and Commercial Intermediaries are required to report any violations or potential violations of this procedure or the Applicable Anti-Bribery Laws to:

- **Redflex's confidential, anonymous HOTLINE on ADP Portal**
- **OR**
- **Redflex Compliance Department: [compliance@redflex.com](mailto:compliance@redflex.com)**

## Procedures for the Retention of Commercial Intermediaries

- I. **General:** These procedures detail the due diligence procedures that must be followed when Redflex is interested in retaining a Commercial Intermediary to perform work for or on behalf of Redflex. Particular caution shall be exercised in the selection and retention of Commercial Intermediaries to confirm the professional qualifications and reputation of a Commercial Intermediary and to ensure there is no legal impediment to doing business with a particular Commercial Intermediary.
- II. **Commercial Intermediary:** This definition includes distributors, consultants, lobbyists, sales agents, joint venture partners, construction subcontractors and other third party intermediaries that provide services to or on behalf of Redflex.
- III. **Timing:** Redflex shall conduct anti-bribery due diligence on all Commercial Intermediaries in a new engagement and upon contract renewal (or at least every three years).
- IV. **Due Diligence:** No Redflex employee or director shall enter into an agreement with a Commercial Intermediary without completing the forms, documentation and due diligence procedures required by Section 3 of the detailed procedures, and obtaining the advanced, written approval of the Compliance Department and General Counsel.  
  
**NOTE: A Commercial Intermediary cannot start or continue working for Redflex if a fully executed contract has not been returned to the Legal Department.**
- V. **Red Flags:** The list of "Red Flags" located in Appendix F shall be reviewed and, if applicable to the particular Commercial Intermediary, addressed through additional investigation and due diligence.
- VI. **Written Agreement:** Once approved in writing, a written agreement shall be drafted that includes representations and warranties regarding the Commercial Intermediary's business practices and anti-bribery compliance. No payments will be made to, and no work for Redflex will be conducted until a written agreement has been executed by both parties.
- VII. **Scope:** No Redflex employee may take action during the performance of the agreement to increase the scope of the Commercial Intermediary's obligations and duties.
- VIII. **Disbursement:** No payment shall be made to any Commercial Intermediary if there is reason to believe that all or any portion of that payment has been offered, given or promised, directly or indirectly, for any unlawful purpose or in violation of Redflex Anti-Bribery policies and procedures.
- IX. **Documentation:** All required forms relating to the Commercial Intermediary approval process are located in the Appendices to the detailed procedures.

## Gift & Hospitality Procedures

- I. **General:** The purpose of this document is to define the procedures that Redflex directors, employees and Commercial Intermediaries must follow when providing/receiving gifts or services to/from Interested Persons, Government employees and Foreign Government Officials
  
- II. **Policy:** No Gift or Hospitality will be provided directly or indirectly unless it is: (i) legal and appropriate under U.S. federal, state, and local government laws and the laws of the country in which the recipient resides, (ii) compliant with the policies of Redflex and the recipient's organization, (iii) not provided so frequently to the same Interested Person so as to raise an appearance of impropriety, and (iv) recorded fairly and accurately in Redflex's books and records. ***All Redflex employees, directors and Commercial Intermediaries must review and comply with Section 4 of the detailed RTSI procedures.***
  
- III. **Strictly Prohibited:** The following are NEVER permitted: (i) cash or cash equivalents; (ii) per diem payments, extensions of credit or the forgiveness of debt; (iii) Gifts or Hospitality provided in secret; (iv) Gifts or Hospitality that have the appearance of illegality; or (v) Gifts or Hospitality that violate the local laws or policies of the Interested Person's employer/agency.
  
- IV. **Approval:** No Gifts or Hospitality may be provided to Government employees or Foreign Government Officials without the advanced, written approval of the Compliance Department.
  
- V. **Payment or Reimbursement:** Payment or Reimbursement shall be provided to a Redflex employee, director or Commercial Intermediary that has incurred expenses in connection with providing Gifts or Hospitality only if supported by itemized receipts and a copy of the approval documentation.
  
- VI. **Gift Registry:** All Gifts and Hospitality shall be recorded fairly and accurately in the books, records and accounts of Redflex in accordance with this procedure.
  
- VII. **Receiving Gifts or Hospitality:** Redflex employees and directors and their immediate family are prohibited from accepting Gifts or Hospitality over \$100, or any special discounts from any person or firm doing, or seeking to do business with Redflex without the Director of Compliance's approval.
  
- VIII. **Documentation:** All required forms relating to the Gifts and Hospitality process are located in the Appendices to the detailed procedures.

### Charitable, Political, & Sponsorship Contribution Procedures

- I. **General:** Any Redflex employee or director seeking to make a Charitable, Political, or Sponsorship contribution must follow these procedures.
- II. **Political Contributions:** No Redflex employee or director may make a Political donation, for or on behalf of Redflex, to a political party or any candidate for political office, without the prior, written approval of the Compliance Department.
- III. **Charitable or Sponsorship Contributions:** No Redflex employee or director may make a Charitable or Sponsorship contribution, for or on behalf of Redflex, to organizations or associations for the personal, financial, or political benefit of a Government Employee or Foreign Government Official or his/her family.
- IV. **No Cash Contributions:** Under no circumstances shall a Redflex employee or director provide a Political or Charitable contribution in cash.
- V. **No Foreign Political Contributions:** Under no circumstances shall a Redflex employee or director make a political contribution to political parties or candidates in foreign countries even if the contribution is legal under the laws of the foreign country.
- VI. **Commercial Intermediaries:** Commercial Intermediaries are expressly prohibited from offering or providing Charitable or Sponsorship contributions or Political donations, by or on behalf of Redflex.
- VII. **Forms:** Any Redflex employee or director seeking to make a Charitable, Political, or Sponsorship contribution must complete and sign the "Request to Make a Charitable, Political, or Sponsorship Contribution" form. See the detailed procedures.
- VIII. **Documentation:** All Political, Charitable, and Sponsorship contributions must be supported by a legitimate, detailed and contemporaneous receipt from the recipient that fully and accurately describes the contribution, and must be recorded fairly and accurately in the Redflex books and records. If the recipient refuses to provide a receipt containing this information, a contribution may not be provided.
- IX. **Approval:** No Political, Charitable, or Sponsorship contribution may be provided without the advanced, written approval of the Compliance Department.
- X. **Payment:** Payment shall only be made via Corporate check request. Payment shall be provided only if supported by the documentation required by this procedure. Contribution expenses CANNOT be submitted for reimbursement on expense reports.

## Financial & Accounting Procedures

- I. **General:** Redflex shall establish and maintain a system of internal controls that ensures that all transactions and dispositions of assets occur only with appropriate authorizations, and that all such transactions are recorded fairly and accurately and in reasonable detail in Redflex's accounts, books and records.
- II. **Liability:** The recordkeeping requirements apply to all aspects of the Company's business activities and are not limited to bribes or other improper payments. The mischaracterization or omission of any transaction in Redflex's books and records, or the failure to maintain proper internal controls may result in significant liability for Redflex and the Redflex employees that have caused the inaccurate books and records.
- III. **Duty to Report:** All Redflex directors and employees with financial and accounting duties have an obligation to be alert to a possible violation of the following financial and accounting requirements and will report suspected violations to the Compliance Department. **Failure to do so may result in severe disciplinary action.**
- IV. **Internal Controls:** Redflex shall maintain a system of internal financial and accounting controls sufficient to provide a reasonable assurance that (1) all transactions are authorized in accordance with management's general or specific authorization, (2) all transactions are recorded in a manner that allows the proper preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") or generally accepted accounting principles ("GAAP") as applicable, (3) access to assets is limited and permitted only with the appropriate authorization, and (4) existing assets are compared with recorded balances, and appropriate action is taken with respect to any differences.
- V. **Strictly Prohibited:** False or misleading entries in Redflex books and records are strictly prohibited, such as: (1) false invoices, over-invoices or other misleading documentation; (2) false entities, sales, purchases, services, loans or financial arrangements, (3) failing to record transactions (off-book accounts/slush funds), (4) submitting false or inaccurate expense reports, (5) creating records that mischaracterize the true nature of a transaction or recipient of payment, (6) vague or non-specific descriptions for payments made in entries, (7) payment descriptions that do not correspond to the appropriate account, (8) Gift or Hospitality expense forms with incomplete information.
- VI. **Compliance:** All Redflex employees and directors shall strictly comply with the policies and procedures required by this procedure.

# PROCEDURES FOR THE RETENTION OF COMMERCIAL INTERMEDIARIES (AMERICAS)

## 1. PURPOSE

The purpose of this document is to define the due diligence procedures to be followed when Redflex retains a Commercial Intermediary to perform work for or on behalf of Redflex. The procedures are designed to ensure that the Commercial Intermediary, and anyone acting on its behalf, complies with the laws, rules and regulations of the countries, states, cities and municipalities in which it operates, including, without limitation, state and local anti-bribery laws, the Australian Criminal Code Act of 1995, the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act (Bribery Act), and the international standards embodied in the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention Against Corruption (collectively, the "Applicable Anti-Bribery Laws"), as well as Redflex's anti-bribery policies and procedures.

**NOTE: A Commercial Intermediary cannot start or continue working for Redflex if an executed contract has not been returned to the Legal Department.**

## 2. SCOPE

The procedures are designed to ensure that the Commercial Intermediary, and anyone acting on its behalf, complies with the Applicable Anti-Bribery Laws and Redflex's anti-bribery policies and procedures.

### 2.1 TERMINOLOGY

"**Commercial Intermediaries**" include distributors, consultants, lobbyists, sales agents, joint venture partners, construction subcontractors and other third party intermediaries that provide services to or on behalf of Redflex.

A "**Public Official**" is:

- (1) Any U.S. federal, state, or local government employee, including consultants acting on behalf of the entity;
- (2) Any officer or employee of a foreign government or member of its armed forces or any department, agency, or instrumentality thereof;
- (3) Any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality;
- (4) Any foreign political party or official thereof or any candidate for foreign political office; or
- (5) Any nominee of any person described above.

### 2.2 DUTY TO REPORT

All Redflex employees, directors and Commercial Intermediaries are required to report any violations or potential violations of this procedure or the Applicable Anti-Bribery Laws to:

- **Redflex's confidential, anonymous HOTLINE on ADP Portal; or**
- **Redflex Compliance Department: [compliance@redflex.com](mailto:compliance@redflex.com)**

### 3. PROCESS FLOW

Commercial intermediaries shall be retained on a selective, as-needed basis, and only after determining that the special expertise needed is not available within Redflex.

Redflex shall conduct anti-bribery due diligence on all Commercial Intermediaries in a new engagement and upon contract renewal or at least every three years. The purpose of the anti-bribery due diligence is to confirm the professional qualifications and reputation of a Commercial Intermediary, to ensure there is no legal impediment to doing business with a particular Commercial Intermediary and to ascertain whether there are either historical corruption issues or negative media reports that could reflect negatively on Redflex or put Redflex on notice of the likelihood of future wrongdoing.

#### **Domestic Commercial Intermediaries**

For Domestic, Commercial Intermediaries, the third party due diligence process will be performed in-house. See Steps 3.1 through 3.7 below. If there is a need to perform external due diligence services on a high risk domestic, Commercial Intermediary, see Steps 3.8 through 3.10 below.

#### **International Commercial Intermediaries**

For International, Commercial Intermediaries see Steps 3.8. through 3.10 below. In these cases, an external party will be engaged to perform the due diligence service. The Director of Compliance will oversee and manage the external third party due diligence services.

#### **3.1 DOCUMENT PURPOSE FOR RETAINING INTERMEDIARY AND COMPLETE BACKGROUND QUESTIONNAIRE**

NOTE: If third party is International, begin with Step 3.8.

1.) Employees or directors seeking to engage a Commercial Intermediary must submit a Commercial Intermediary Contract Request Form and a Redflex Document/Commercial Intermediary Authorization Form to the Legal Department documenting the following:

- The purpose for which the Commercial Intermediary is being retained
- Why that particular Commercial Intermediary was selected
- The services the Commercial Intermediary is expected to render
- The Commercial Intermediary's proposed compensation
- The contract term
- Contact information
- Budget Statement
- Department Approval

See Appendix A for Commercial Intermediary Contract Request Form to be completed by employee or director.

See Appendix A1 for Redflex Document / Commercial Intermediary Authorization Form to be completed by employee or director.

2. Employee will ask the third party to complete a Background Questionnaire which will be used to perform the Due Diligence review.

See Appendix E for Commercial Intermediary Background Questionnaire.

### **3.2 PRELIMINARY RISK ANALYSIS TO DETERMINE EITHER BASIC OR ENHANCED LEVEL OF LEGAL REVIEW**

The Commercial Intermediary Contract Request Form will be reviewed to determine the level of risk associated with the proposed intermediary. This review will determine the amount of due diligence necessary prior to contract approval. Either a basic or enhanced level of review will be performed.

The Director of Compliance will assess the risk level and determine whether a basic or enhanced review is necessary. Appendix B containing Risk Analysis Questions should be used to assist Compliance in determining the level of risk. Director of Compliance will notify the Legal Department via Email notification whether a basic or enhanced review should be performed.

See Appendix B for Preliminary Risk Analysis Questions.

### **3.3 ENHANCED DUE DILIGENCE REVIEW**

If the initial analysis indicates a high bribery risk, the proposed Commercial Intermediary shall undergo an enhanced due diligence review. The Legal Department will perform the review.

The review will reference the "Enhanced Due Diligence Review" guideline in Appendix C. All findings and observations will be documented.

Results and conclusions shall be reviewed, documented and approved in writing by the Director of Compliance.

See Appendix C for Enhanced Due Diligence Risk Procedures.

### **3.4 BASIC DUE DILIGENCE REVIEW**

Commercial Intermediaries that pose a lower bribery risk shall be processed through a basic due diligence review. The Legal Department will perform the review.

This review will reference the "Basic Due Diligence Review" guideline in Appendix D. All findings and observations will be documented.

Results and conclusions shall be reviewed, documented and approved in writing by the Director of Compliance.

See Appendix D for Basic Due Diligence Risk Procedures.

### **3.5 DRAFT CONTRACT WITH COMMERCIAL INTERMEDIARY**

**NOTE: A Commercial Intermediary cannot start or continue working for Redflex if an executed contract has not been returned to the Legal Department.**

**Written Agreements with Commercial Intermediaries:** Once risk has been reviewed and the Compliance Department has provided a written approval regarding the use of a particular Commercial Intermediary, a written agreement shall be drafted. If the commercial intermediary has their own contract, it must be forwarded to the Legal Department in WORD so that it can be modified as needed. In addition to documenting the general rights and obligations of the parties, Redflex shall include representations and warranties in its written agreements with Commercial Intermediaries regarding their business practices

and anti-bribery compliance. Redflex will also seek covenants in its written agreements with Commercial Intermediaries governing future conduct as it relates to anti-bribery compliance.

**Out of Scope Actions Prohibited:** No Redflex employee or director may take action during the performance of the agreement to increase the scope of the Commercial Intermediary's obligations and duties. Any offer or attempt by the Commercial Intermediary to take action beyond the scope of the agreement shall be immediately rejected and under no circumstances shall any employee or director act in a manner indicating Redflex approval of the Commercial Intermediary's "out of scope" actions. The failure to act in accordance with this instruction may result in severe disciplinary action, including termination of employment.

**Representations and Warranties:** All written agreements with commercial intermediaries shall also contain the following representations and warranties. No payments will be made to, and no work for Redflex will be conducted by a Commercial Intermediary until a written agreement containing the following representations and warranties has been executed by both parties.

- All Commercial Intermediaries shall be required to comply with the laws, rules and regulations of the countries, states, cities and municipalities in which they operate (except to the extent inconsistent with U.S. law), including, without limitation, the Applicable Anti-Bribery Laws, the laws and regulations of the United States, and Redflex anti-bribery policies and procedures.
- In all undertakings the Commercial Intermediary will not pay, offer, authorize, or agree to pay, directly or indirectly, anything of value, on behalf of Redflex, to a Public Official or any other person, while knowing or having reason to know that all or a portion of the thing of value may be offered, given or promised, directly or indirectly, for the purpose of securing any improper advantage.
- The Commercial Intermediary warrants that all records, information and representations that it has provided to Redflex before the signing of the contract and will provide to Redflex in the future, are and will be complete and accurate.
- The Commercial Intermediary will maintain accurate books and records regarding the transactions conducted on behalf of Redflex
- The Commercial Intermediary shall permit Redflex to conduct internal and independent audits of its books and records to ensure compliance with the Applicable Anti-Bribery Laws.
- The contract will automatically be rendered void *ab initio* and the Commercial Intermediary will automatically surrender any claim for payment under the contract even for sales previously concluded or sales previously rendered under the following circumstances:
  - The Commercial Intermediary has violated the Applicable Anti-Bribery Laws or Redflex anti-bribery policies and procedures;
  - A material breach of contract;
  - Any failure to comply with the contract's representations and warranties;
  - Any refusal to timely comply with Redflex's right to audit the Commercial Intermediary's books and records;
  - Taking action outside the scope of the contract without the prior, written approval of Redflex;
  - Any failure by the Commercial Intermediary to notify Redflex of a material change in a representation or warranty within 30 days.
- Redflex will have the right, when required, to disclose the agreement, alleged improper activity, and amount of payments made to the Commercial Intermediary under the contract to relevant government authorities.

- The Commercial Intermediary will be solely responsible for all of its costs and expenses incurred in connection with its representation of Redflex, unless responsibility is assumed in writing in advance with a detailed itemization of expenses.
- The Commercial Intermediary must maintain adequate controls over reimbursable expenses.
- Payments must be made directly to the Commercial Intermediary's bank account in the country in which it is incorporated, resides or provides services or by check payable to the Commercial Intermediary for delivery where the Consultant is incorporated, resides or provides services.
- Neither the Commercial Intermediary nor any of its company representatives is a Public Official, a consultant to a Public Official, or affiliated with a Public Official, nor will any of them become a Public Official during the term of the contract.
- The Commercial Intermediary's duties and scope of its authority to act on behalf of Redflex will be clearly defined. Any actions taken beyond the scope of this authority will be without Redflex consent and could result in the termination of the contract.
- The Commercial Intermediary shall agree that the contract is lawful in the jurisdiction in which it is to be performed.
- The Commercial Intermediary shall be prohibited from assigning or novating the agreement without Redflex's prior written consent.
- The Commercial Intermediary will fully indemnify Redflex for any violation of the laws in which the commercial intermediary operates and the United States, including but not limited to, the Applicable Anti-Bribery Laws.
- All Commercial Intermediaries shall receive a copy of the Redflex anti-bribery policies and procedures and will agree to be bound by its provisions.
- The Commercial Intermediary shall be prohibited from hiring any sub-commercial intermediaries (such as an agent, subcontractor or consultant) without Redflex's prior written consent.
- The Commercial Intermediary shall provide prompt notice of any change of ownership.
- The Commercial Intermediary shall certify that it has not been convicted of or pleaded guilty to a criminal offense, including one involving fraud or corruption, and that it is not now, to the best of its knowledge, the subject of any government investigation for such offenses, and that it is not now listed by any government agency or nongovernmental organization as debarred, suspended, proposed for debarment, or otherwise sanctioned or ineligible for government programs, privileges, contracts, or licenses.
- The Commercial Intermediary shall certify that invoices to RTS Americas shall contain the following certification:
 

*By accepting payment hereof, [the Commercial Intermediary] hereby certifies that no portion of the sum invoiced herein has been paid to any government official or any person or entity for any unlawful purpose and all lawful payments to government entities for services, licenses, permits, etc. are supported by itemized receipts and/or appropriate documentation.*
- A written commitment by the Commercial Intermediary to report any requests for improper payments to:
  - **Redflex Compliance Department:** [compliance@redflex.com](mailto:compliance@redflex.com)

### **3.6 DISBURSEMENT TO COMMERCIAL INTERMEDIARIES**

No payment shall be made to any Commercial Intermediary if there is reason to believe that all or any portion of that payment has been or will be offered, given or promised, directly or indirectly, to any individual or Public Official on behalf of Redflex for any unlawful purpose.

When auditing the Commercial Intermediary's compensation and expense reimbursements, Redflex should consider (1) the amount paid in relation to the total payments under the agreement; (2) the nature of the expenses; (3) the Commercial Intermediary's services rendered during the period; (4) the customers with whom the Commercial Intermediary had contact.

Payments may only be made directly to the Commercial Intermediary's bank account in the country in which it is incorporated, resides or provides services or by check payable to the Commercial Intermediary for delivery where the Consultant is incorporated, resides or provides services.

Under no circumstances shall payments be made in cash or to unknown third parties.

Invoices from key Commercial Intermediaries shall contain the following certification:

- *By accepting payment hereof, [the Commercial Intermediary] hereby certifies that no portion of the sum invoiced herein has been paid to any government official or any person or entity for any unlawful purpose and all lawful payments to government entities for services, licenses, permits, etc. are supported by itemized receipts and/or appropriate documentation.*

### **3.7 MAINTAIN CONTRACT AND SUPPORT DOCUMENTATION**

The General Counsel's office will maintain the following:

- A register of all active Commercial Intermediaries ;
- All documentation relating to the Commercial Intermediary due diligence review, including but not limited to: risk review questionnaires, analyses, and supporting documentation ;
- Any written agreements, and all amendments thereto, between Redflex and the Commercial Intermediary.

### **END OF PROCESS FOR DOMESTIC THIRD PARTIES AND CONTRACTING PROCESS FOR INTERNATIONAL THIRD PARTIES**

### **3.8 DUE DILIGENCE FOR INTERNATIONAL THIRD PARTIES**

All Due Diligence for international third parties will be performed by TRACE, a third party diligence service provider. Generally, the third party will be responsible for the TRACE fees.

Director of Compliance will administer the following process:

- Ask Management to inform the international third party that they will be responsible for the TRACE fees.
- Obtain the third party business name, contact names, and contact email addresses from the RTS Americas internal contact.
- Work with the Legal Department and the internal contact to send the third party a TRACE introduction letter. This letter informs the third party about the TRACE Due Diligence process and

what to expect.

See Appendix G for TRACE Introduction Letter for International Due Diligence.

- Place the order for a TRACE Certification review, Embassy Check, and Reference Check. This TRACE review process can take anywhere from a month to several months.
- Follow-up with TRACE until review is complete.
- Review final TRACE report and present results to Legal and RTS Americas internal contact. If a significant Due Diligence issue was discovered, third party will not be approved. If there are no significant Due Diligence issues, management will determine whether to ultimately engage Commercial Intermediary.

### **3.9 DOCUMENT PURPOSE FOR RETAINING INTERNATIONAL INTERMEDIARY**

Employees or directors seeking to engage a Commercial Intermediary must submit a Commercial Intermediary Contract Request Form and a Redflex Document/Commercial Intermediary Authorization Form to the Legal Department documenting the following:

- The purpose for which the Commercial Intermediary is being retained
- Why that particular Commercial Intermediary was selected
- The services the Commercial Intermediary is expected to render
- The Commercial Intermediary's proposed compensation
- The contract term
- Contact information
- Budget Statement
- Department Approval

See Appendix A for Commercial Intermediary Contract Request Form to be completed by employee or director.

See Appendix A1 for Redflex Document / Commercial Intermediary Authorization Form to be completed by employee or director

### **3.10 FOLLOW WITH CONTRACTING AND DISBURSEMENT STEPS 3.5 TO 3.7**

**Authorization**

This document is authorized by:

Name:	Risk and Compliance Committee Chairman
Title:	
Approval Date:	August 2016

**Change History Log**

Date	Ver. #	Change Description	Author
4/23/2012	1	Initial Draft	Director of Internal Audit
11/5/2012	2	Finalize Draft	Assistant General Counsel and Anti-Bribery Expert Consultant
4/12/2013	3	Updated procedures with reference to Compliance Department. Due diligence reviews to be coordinated together in a joint effort by Legal, Legislative Affairs, and Compliance.	Director of Compliance
10/15/2013	4	Updated procedures to clarify the process between Compliance, Legal, and Legislative Affairs.	Director of Compliance
1/20/2014	5	Updated procedures to clarify process responsibilities.	Director of Compliance
7/31/2014	6	Updated Commercial Intermediary section to clarify process.	Director of Compliance
8/31/2015	7	Updated Commercial Intermediary section to replace Appendix A with new CI Contract Request Form. Added Date line to Appendix E Background Questionnaire. Added due diligence process statements for Domestic CI and International CI. Added NOTE that CI cannot work for Redflex without an executed contract.	Director of Compliance
2/1/2016	8	Updated Commercial Intermediary section to include Redflex Document / Commercial Intermediary Authorization Form, International Due Diligence procedures, and third party invoice representation statement	Director of Compliance

## APPENDIX A

### **COMMERCIAL INTERMEDIARY CONTRACT REQUEST FORM**

**NOTE: To be Completed by Employee or Director Seeking to Engage Intermediary and Reviewed/Approved by Dept. Director or VP. Forward to Legal Department.**

## Commercial Intermediary Contract Request Form

Version 2.0



The Legal Department will make its best efforts to respond expeditiously to each request. To better assist the Legal Department, please be as specific as possible and please fill out each section of this form. If a section does not apply, please put N/A. When completed, please return this form to the Legal Department. This form should be done after the Commercial Intermediary Due Diligence Process has been completed, including the Statement of Budget Approval.

**NOTE: COMMERCIAL INTERMEDIARY PAPERWORK MUST BE SUBMITTED TO COMPLIANCE / LEGAL 30 DAYS BEFORE CONTRACT START DATE.**

**Requested By:** [Click here to enter text.](#)

**Department:** [Click here to enter text.](#)

**Date:** [Click here to enter a date.](#)

**CI Name:** [Click here to enter text.](#)

**CI Type:** [Choose an item.](#)

**If "Other," please describe:** [Click here to enter text.](#)

**Locality** (e.g, city, state):

[Click here to enter text.](#)

**Products** (e.g, red light; school bus stop arm):

[Click here to enter text.](#)

**Nature of Services/Purpose for retaining CI:** (e.g, oppose negative legislation)

[Click here to enter text.](#)

**Why was CI selected?**

[Click here to enter text.](#)

**Compensation:** (e.g, \$1000/month)

Click here to enter text.

**Term:**                      **Execution Date:** Click here to enter a date.

**End Date:**                      Click here to enter a date.

**CI Contact** (person to receive notice):

Name:                      Click here to enter text.

Position:                      Click here to enter text.

Address:                      Click here to enter text.

Phone:                      Click here to enter text.

Email:                      Click here to enter text.

**Other Notes/Instructions:** Click here to enter text.

**Completed Due Diligence:**                      YES  NO

If "NO," please describe: Click here to enter text.

**Completed Statement of Budget Approval:**                      YES  NO

If "NO," please describe: Click here to enter text.

**Due Date:**                      Click here to enter a date.

**NOTE: COMMERCIAL INTERMEDIARIES MAY NOT BEGIN OR CONTINUE WORK UNTIL FULLY EXECUTED CONTRACT IS RECEIVED BY THE LEGAL DEPARTMENT.**

\_\_\_\_\_  
**Employee/Director Signature**  
**(Attesting that above is true)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Reviewed/Approved by Dept. Director or VP**

\_\_\_\_\_  
**Date**

# APPENDIX A

## REFLEX DOCUMENT / COMMERCIAL INTERMEDIARY AUTHORISATION FORM

**NOTE: To be Completed by Employee or Director Seeking to Engage Intermediary and forwarded to Legal Department.**



### REFLEX DOCUMENT / COMMERCIAL INTERMEDIARY AUTHORISATION FORM

**IMPORTANT NOTE:** This form must be completed by ALL employees for authorisation and/or signing of any contract, agreement, intermediary appointment, request for proposals, request for tender or expressions of interest or other legally binding arrangement ("Document") to be signed or entered into by any Redflex company. This form **MUST** be retained with an original signed copy of the Document for compliance and internal auditing purposes.

Date:			
Your Name:			
Your Position:			
Your Telephone No.:			
Your Signature:			
Redflex Company:			
Other Party to Document: <small>If more than one, please list all parties</small>			
What is this Document about? <small>Please provide a brief description of the subject of the contract, agreement, intermediary appointment, bid, tender response or other binding arrangement to be entered into. If insufficient space, please add an additional page.</small>			
What is the total price or amount payable in the Document? <small>What is the total purchase price or the total amount payable? Please provide your best estimate of the amount for the entire term of the contract, agreement, intermediary appointment, bid, tender response or other binding arrangement. If insufficient space, please add an additional page.</small>			
Project Sales Value (\$)		Project Cost Value (\$)	
Margin (\$)		Margin (%)	
Pricing / Budget Statement Provided:	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Name of person providing Pricing / Budget Information:			
Is any expenditure within the approved budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Your Manager's / Cost Center Executive's Name:	Name:	Signature:	Date:
Sales and Bus. Dev Approval:	Name:	Signature:	Date:
Chief Executive Officer's Approval:	<input type="checkbox"/> International <input type="checkbox"/> RTSI (U.S.)		Date:
Finance Approval:	Name:	Signature:	Date:
Legal Approval:	Name:	Signature:	Date:
Compliance Approval: <small>MANDATORY for all intermediary appointments. You must also ATTACH (see the Procedures for Retention of Commercial Intermediaries):</small>	<small>(check one)</small> <input type="checkbox"/> Basic <input type="checkbox"/> Expanded Due Diligence		
Group Chief Executive Officer's Approval: <small>(Generally, applicable for Australia only)</small>	Name:	Signature:	Date:

## APPENDIX B

### **PRELIMINARY RISK ANALYSIS QUESTIONS (Analysis Questions to Consider when Determining a Basic or Enhanced Review)**

- 1). What is the purpose for which the Commercial Intermediary is being retained (e.g. marketing, distribution, business development, taxation or legal services, lobbying, local representative, service provider)?
- 2). Is the Commercial Intermediary likely to have contact with Public Officials on behalf of Redflex?
- 3). If so, what would be the nature and frequency of contact that the Commercial Intermediary is likely to have with Public Officials?
- 4). Will the Commercial Intermediary sell or market Redflex products and/or services to commercial customers or government customers?
- 5). What is the amount of revenue Redflex generates over the course of a calendar year in the territory in which the Commercial Intermediary operates?
- 6). Would the Commercial Intermediary have exclusive rights to sell or market Redflex products and/or services in a specific territory?
- 7). What is the amount and type of compensation that the Commercial Intermediary would receive?
- 8). What would be the Commercial Intermediary's total compensation under all contracts that Redflex has entered into with the Commercial Intermediary, worldwide?
- 9). Is the Commercial Intermediary a publicly-traded company listed on a recognized stock exchange?
- 10). Are the Public Officials or their close relatives major shareholders in or hold key management positions with the Commercial Intermediary?
- 11). Why has this particular Commercial Intermediary been selected?

**Results:** Director of Compliance should analyze the information gathered and determine whether a Basic or Enhanced due diligence review is necessary. Notify the Legal Department via email as to which review is required.

## APPENDIX C

### **ENHANCED DUE DILIGENCE REVIEW**

#### **NOTE: To be Completed by the Legal Department and forwarded to the Compliance Department.**

If it is determined that an enhanced due diligence review of a Commercial Intermediary is appropriate, the following shall be performed, requested, and information gathered and documented (subject to changes by the Compliance Department as they have discretion over the scope of the information that is ultimately collected):

- Conduct an in-person or telephone interview with the Commercial Intermediary, including owners, directors, senior management, legal and compliance staff, business personnel, and employees charged with regulatory compliance and approvals, to assess the Commercial Intermediary's qualifications and its knowledge of its anti-bribery compliance obligations.
- Conduct a review of local laws relating to the retention of commercial intermediaries in the subject jurisdiction.
- Require the Commercial Intermediary to complete a background questionnaire (See Appendix E) containing the following information, as applicable:
  - The Commercial Intermediary's full legal name, main point of contact, address, corporate registration documents, date of organization, number of employees, primary services provided, territory where services are to be provided, payment arrangements, government registrations, and a list of its subsidiaries and the locations of its facilities.
  - List of the Commercial Intermediary's owners, together with their ownership percentage and citizenship.
  - List of the members of the board of directors or other governing body of the Commercial Intermediary, including their citizenship.
  - List of all key employees of the Commercial Intermediary who are likely to act on behalf of Redflex, including their titles and citizenship.
  - List of the Commercial Intermediary's owners/directors/key employees' outside ownership interests, directorships or employment, including their titles and the names of the outside organizations.
  - List of any positions currently or recently held by the Commercial Intermediary's owners/directors/key employees with respect to political parties or campaigns, and a list of any of the owners, directors or key employees who currently hold, or have recently held, political office.
  - List of current or previous government employment of any owners, directors or key employees, including the name of the government agency, their title or rank, and the date the government employment was terminated.
  - List of close family members of owners/directors/key employees who currently serve in the government or military, or who have duties for a political party or campaign, or who hold political office.

- List of government agencies that the Commercial Intermediary will interact with on behalf of Redflex.
- Standard compliance questionnaire to assess past violations of law relating to fraud, bribery, corruption, anti-trust or tax evasion and inclusion on any denied parties, sanctions, or debarment lists.
- Request that Commercial Intermediary provide up to five business references.
- Request access to the Commercial Intermediary's books and records, a copy of recent audited financial statements, and a financial reference from a bank, accountant or supplier.
- Review the Commercial Intermediary's internal controls.
- Obtain a credit report on the Commercial Intermediary.
- Obtain a copy of the Commercial Intermediary's compliance policies and procedures, including its code of conduct, and its procedures regarding gifts, hospitality, travel, charitable contributions and commercial intermediaries.
- Review the reasonableness of the Commercial Intermediary's price or compensation.
- Ask that Commercial Intermediary provide copies of resumes for all significant owners, directors and key employees.
- Conduct media and internet searches on the Commercial Intermediary and any significant owners, directors and key employees.
- Conduct public record and database searches of denied parties lists and politically exposed persons lists on the Commercial Intermediary and its significant owners, directors and key employees.
- Summarize Results and Conclusions

\_\_\_\_\_  
**Completed by**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Reviewed/Approved by Compliance Department**

\_\_\_\_\_  
**Date**

## APPENDIX D

### **BASIC DUE DILIGENCE REVIEW**

#### **NOTE: To be Completed by the Legal Department and forwarded to the Compliance Department.**

If it is determined that a basic due diligence review of a Commercial Intermediary is appropriate, the following information will be collected and documented (subject to changes by the Compliance Department as they have discretion over the scope of the information that is ultimately collected):

The Commercial Intermediary will be required to complete a background questionnaire (See Appendix E) containing the following information, as applicable:

- The Commercial Intermediary's full legal name, main point of contact, address, date of organization, number of employees, primary services provided, territory where services are to be provided, payment arrangements, government registrations, and a list of its subsidiaries or locations of facilities.
- List of the Commercial Intermediary's owners, together with their ownership percentage and citizenship.
- List of the members of the board of directors or other governing body of the Commercial Intermediary, including their citizenship.
- List of all key employees of the Commercial Intermediary who are likely to act on behalf of Redflex, including their titles and citizenship.
- Current government employment of the Commercial Intermediary's owners, directors and key employees.
- Government employment of the Commercial Intermediary's owners, directors and key employees within the previous two years.
- Standard compliance questionnaire to assess past violations of law relating to fraud, bribery, corruption, anti-trust or tax evasion and inclusion on any denied parties, sanctions, or debarment lists.
- The Commercial Intermediary shall be asked to certify its financial stability.
- The Commercial Intermediary shall be asked to certify that it maintains its books and records in accordance with internationally accepted accounting standards.
- The Commercial Intermediary shall be asked to certify compliance with the Applicable Anti-Bribery Laws.
- The Commercial Intermediary shall be asked to provide a business reference.
- Media and internet searches shall be conducted on the Commercial Intermediary and any significant owners, directors and key employees.
- Database searches of denied parties lists and politically exposed persons lists shall be conducted on the Commercial Intermediary and its significant owners, directors and key employees.
- Summarize Results and Conclusions

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**Completed by**

---

**Date**

---

**Reviewed/Approved by Compliance Department**

---

**Date**

# APPENDIX E

## COMMERCIAL INTERMEDIARY BACKGROUND QUESTIONNAIRE

1. Applicant is <input type="checkbox"/> Corporation <input type="checkbox"/> Individual	2. Applicant's Primary Contact (for this agreement)
Name	Name
Address	Title
	Address
Phone	Phone
Fax	Fax
Email	Email

3. The applicant's address in Item 1 is the  Main Office or a  Branch/Subsidiary office.
4. List main office/all branches/subsidiaries of the applicant. (Attach additional page if necessary.)

Name	Name
Address	Title
	Address
Phone	Phone
Fax	Fax
Email	Email

5. Type of Business:  Proprietorship  Partnership  Corporation  Individual  Company
6. County/State of Incorporation
7. Registration Number (if applicable)
8. Social Security Number or TIN (if applicable)
9. Date of Establishment
10. List of all owners below. (Use attachment if necessary.)

<u>Owner (s)</u>	<u>Citizenship</u>	<u>% Ownership</u>
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11. List of members of Board of Directors or other governing body. (Use attachment if necessary.)

Director(s)

Citizenship

12. **Has there been any change in the ownership during the last two years?**  Yes  No If "Yes", please explain.
13. **Does any government department, agency or instrumentality, or any official or employee thereof, have any ownership or other financial interest in applicant's organization, or an affiliate thereof, directly or indirectly?**  Yes  No If "Yes", please explain
14. **Principal Officers. (Use separate sheet, if necessary.)**  
Name/Title Education Employment Background
15. **Is the applicant, any owner, or any employee of the applicant, or any principal officer an employee, elected or appointed official, or a former elected or appointed official of any government department including military agency or instrumentality?**  Yes  No. If "Yes", list names, titles and government positions.  
For each "Yes" answer, provide name of government department, agency or instrumentality, position or office held or sought, military rank where applicable, etc. and termination date.
16. **Does the applicant, any owner, any employee of the applicant, or any present or former principal officer have any family relationships with current members of a government department, agency or instrumentality, or any official or employee thereof?**  Yes  No For each "Yes", please provide complete details.
17. **Is the applicant, any owner, any employee of the applicant, or any present or former principal officer an official of any political party or candidate for political office in the U.S. or any foreign country?**  Yes  No. For each "Yes", please provide complete details.
18. **Does the applicant employ any former employees, civilian or military, of the U.S. Government, or of the government(s) in which the services contemplated by the proposed agreement will be performed?**  Yes  No. If "Yes", please explain.
19. **Does applicant have any current or past professional or personal relationship with Public Official in the country, state, city or municipality in which it will perform services? (For purposes of this question, applicant includes any principal, staff member, key employee, officer, director or shareholder of applicant. Personal or professional affiliations include family relationships, and past or present official positions. Government officials include political officials or candidates for political office.)**  Yes  No. If "Yes", please explain.
20. **Do any of the principals of your organization have an ownership interest above 5% in any other organization?**  Yes  No

If "Yes", identify each such other organization, its address, its business activities, the role played in it by any principal of the applicant's organization, and any other relationship between the applicant and such other organization(s).

21. **Has the applicant, any associated organization, any prior organization, any prior associated organization, any present or former principal officer, director, employee, or shareholder been convicted of or pleaded guilty to a criminal offense, including but not limited to, allegations of fraud, misrepresentation, bribery, corruption or other related activities in the U.S. or any other country?**  Yes  No

If the answer is anything other than an unequivocal "No", please provide complete details. (Use a separate attachment if necessary.)

22. **Are there any legal, arbitral, or regulatory proceedings pending against the applicant, which, if adversely determined, could have a material adverse effect on the ability of the applicant to perform the services contemplated by the proposed agreement?**  Yes  No. If "Yes", please explain.

23. **Is the applicant now, to the best of its knowledge, the subject of any government investigation for offenses, including but not limited to, allegations of fraud, misrepresentation, bribery, corruption or other related activities, or listed by any government agency or nongovernmental organization as debarred, suspended, proposed for debarment or otherwise sanctioned or ineligible for government programs, privileges, contracts or licenses?**  Yes  No. If "Yes", please explain.

24. **Principal individual(s) who will provide services in support of Redflex.**

<u>Name/Title</u>	<u>Education</u>	<u>Employment Background</u>	<u>Citizenship</u>
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25. **List previous or current agreements, if any, with Redflex or any of its affiliates.**

26. **Which Redflex products or services does applicant wish to act as a Commercial Intermediary?**

27. **Briefly describe the nature and history of applicant's business.**

If applicant is an individual, please provide resume. If applicant is a company, please provide copies of company brochures, annual reports and any other documentation deemed appropriate. Also, please attach latest fiscal balance sheet and operating statement hereto.

28. **Estimate the total available market in the territory for Redflex products or services for which the applicant wishes to act as a Commercial Intermediary.**

29. **Estimate the potential sales in your territory for Redflex.**

30. **Provide other relevant market information.**

31. **List the names and titles of any Public Officials and Government Agencies that applicant will interact with on behalf of Redflex.**

32. Provide a copy of those laws, regulations and policies which relate specifically to your conduct as a Commercial Intermediary including but not limited to those covering reporting and payment of commissions and fees, and those covering your conduct in dealing with Public Officials.
33. List other firms represented (currently or within the last 12 months) where the activities performed are similar to those contemplated under the proposed agreement. (Attach additional page if necessary).
34. List five General References. (Persons/Firms familiar with applicant's organization.)

<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>
<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>
<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>
<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>

35. **Financial References. (Indicate banks, principal suppliers, etc.)**

<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>
<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>

36. **The name and contact information for the bank in which bank wire transfers shall be sent or address where checks made payable to Commercial Intermediary shall be delivered.**

<b>Name</b>	<b>Name</b>
<b>Address</b>	<b>Address</b>
<b>Phone</b>	<b>Phone</b>
<b>Fax</b>	<b>Fax</b>
<b>Email</b>	<b>Email</b>

37. **Other pertinent comments in support of this application.**

38. **Applicant agrees to allow Redflex to review to its books and records and internal controls, and provide Redflex with a copy of recent audited financial statements?  Yes  No. If "No", please explain.**

**I certify that the information provided in each of the Items is true and correct to the best of my knowledge. I understand that Redflex will rely on the above information in determining whether to enter into any contractual agreement with the applicant, and that any false or misleading information provided by the applicant would be grounds for the immediate termination of any such contractual agreement.**

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title :** \_\_\_\_\_

**Date :** \_\_\_\_\_

## APPENDIX F

### COMMERCIAL INTERMEDIARY “RED FLAGS”

In selecting a commercial intermediary, Redflex must be able to demonstrate that it has identified and fully investigated “red flags”—generally defined as circumstance which could place a reasonable person on notice that illegal or improper conduct has or may occur. The discovery of a “red flag” during due diligence shall, at a minimum, require additional investigation,

Additional due diligence and investigation shall be conducted if the Commercial Intermediary:

- Requests payment in cash or to a numbered account or the account of a third party;
- Request’s payment in a country other than the Commercial Intermediary’s country of residence or the territory of the sales activity (especially if it is a country with little banking transparency);
- Wire transfers do not disclose the identity of the sender or recipient;
- Requests payment or partial-payment in advance or immediately prior to a procurement decision;
- Requests payment for extraordinary, ill-defined or last-minute expenses;
- Does not have adequate resources or staff to perform the work required under the agreement;
- Has an employee who simultaneously holds a government position;
- Has a family member in a government position, especially if the family member works in a procurement or decision-making position or is a high-ranking official in the department that is the target of the intermediary’s efforts;
- Refuses to disclose owners, partners or principals;
- Refuses to agree to representations and warranties in the contract that requires compliance with Applicable Anti-Bribery Laws or Redflex Anti-Bribery Policies and Procedures;
- Is owned by a government entity;
- Uses shell or holding companies or other unusual corporate structures that obscure ownership; Is specifically requested by a Public Official of the particular government customer;
- Has undisclosed agents or subagents who assist with its work;
- Commissions are outside the range that is typical or customary within the region or is unusually high without a corresponding level of service;
- Seeks to reserve the right to assign rights or obligations to a third party;
- Is ignorant or indifferent to local laws and regulations governing the region in question and the intermediary’s proposed activities in particular;
- Identifies a business reference who declines to respond to questions or who provides an evasive response;
- Is the subject of credible rumors or media reports of inappropriate payments;
- Is currently under investigation or has been convicted of previous violations of law;
- Refuses to provide Redflex with audit rights;

- Reluctant to participate in the Redflex commercial intermediary due diligence process;
- Suggests that unethical or illegal conduct is acceptable because it is the norm in the country in which the contract will be performed.

## APPENDIX G

### **TRACE INTRODUCTION LETTER FOR INTERNATIONAL DUE DILIGENCE**

Date

Address

Email

Dear Third Party,

As part of Redflex Traffic Systems Inc.'s continuing commitment to compliance with national and international anti-bribery laws, we have established a relationship with TRACE, an internationally respected business association of multinational companies and commercial intermediaries with a demonstrated commitment to transparent business practices. We require that all of our international representatives and consultants apply for TRACE certification prior to entering into new agreements.

Certification by TRACE requires three commitments on your part:

- Voluntary participation in a thorough background ("due diligence") review of you /your company.
- Adoption of a code of conduct addressing the issues of bribery and corruption if you do not already have one (TRACE will work with you to adopt a code of conduct).
- Agreement to complete training on international anti-bribery standards (provided by TRACE at no charge).

Your TRACE certification will provide us with the confidence that the activities you undertake are in compliance with national and international anti-bribery requirements.

You will soon receive an email link from TRACE to access their online system. Simply click the link and it will direct you to the login and questionnaire. Please make a note of the login ID and password you select so that you can re-enter the questionnaire should you choose to exit and complete it at a later time. Once the questionnaire is complete please click on the "submit" tab. TRACE will contact you by email within a week to begin the review. TRACE will also email your financial reference so it is helpful if you notify them and encourage them to respond.

We will proceed with a new contract after we receive confirmation of your TRACE certification. If you would like to find out more about TRACE, please visit TRACE's web-site, [www.TRACEinternational.org](http://www.TRACEinternational.org). TRACE has helpful staff that will be available to answer any questions you might have.

Sincerely,

*Vice President and General Counsel*

# GIFTS AND HOSPITALITY PROCEDURES

## 1 PURPOSE

The purpose of this document is to define the procedures that Redflex directors, employees and Commercial Intermediaries must follow when providing/receiving gifts or services to/from Interested Persons, Government employees and Foreign Government Officials.

Redflex employees, directors and Commercial Intermediaries shall not, directly or indirectly, give, offer or promise Gifts or Hospitality to any Government Employees or Foreign Government Officials without the prior, written approval of the Compliance Department.

## 2 SCOPE

This procedure relates to the rules governing the offer and acceptance of Gifts and Hospitality to Interested Persons, Government Employees and Foreign Government Officials. All Redflex directors, employees and Commercial Intermediaries must be particularly careful in determining whether a Gift or Hospitality is legal, reasonable and justifiable under the particular circumstance before the Gift or Hospitality is offered or accepted. No Gift or Hospitality will be provided directly or indirectly unless it is (i) legal and appropriate under U.S. federal, state, and local government laws and the laws of the country in which the recipient resides, (ii) compliant with the policies of Redflex and the recipient's organization, and (iii) designed to specifically advance Redflex business.

These procedures shall apply to all of Redflex's activities and transactions, both within and outside the United States. The procedures will control even though local law or custom may permit business standards that are less exacting than the procedures. Any circumstances not specifically addressed by this procedure shall be addressed on a case-by-case basis in consultation with the Compliance Department.

### 2.1 DUTY TO REPORT

All Redflex employees, directors and Commercial Intermediaries are required to report any violations or potential violations of this procedure or the Applicable Anti-Bribery Laws to:

- **Redflex's confidential, anonymous HOTLINE on ADP Portal; or**
- **Redflex Compliance Department: [compliance@redflex.com](mailto:compliance@redflex.com)**

## 3 TERMINOLOGY

**"Commercial Intermediaries" include distributors, consultants, lobbyists, sales agents, joint venture partners, construction subcontractors and other third party intermediaries that provide services to or on behalf of Redflex.**

A **"Gift"** includes, but is not limited to:

Any gratuity, favor, discount, benefit, commission, loan, special pricing arrangements, favorable payment terms forbearance, training, services, employment, internships or contributions of time, materials, equipment, or facilities, or other tangible or intangible items having monetary value, for which fair market value is not paid by the recipient.

**“Hospitality”** Includes, but is not limited to:

Any form of entertainment, including meals (whether hosted at a Redflex facility or elsewhere), social events (including sporting events, parties, golf outings, plays, receptions) and travel or related expenses (including transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, or reimbursement after the expense has been incurred).

A **“Government Employee”** is:

Any U.S. federal, state, or local government employee, including consultants acting on behalf of the entity.

A **“Foreign Government Official”** is:

(1) any officer or employee of a foreign government or member of its armed forces or any department, agency, or instrumentality thereof; (2) any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality; (3) any official of a public international organization (e.g., International Monetary Fund, The World Bank, the Red Cross); (4) any foreign political party or official thereof or any candidate for foreign political office; or (5) or a nominee of any person described above.

An **“Interested Person”** includes:

- Government Employees or Foreign Government Officials,
- Any person or firm doing or seeking to do business with Redflex, including vendors suppliers and Commercial Intermediaries, or
- A financial institution.

#### 4 POLICY REQUIREMENTS FOR PROVIDING GIFTS AND/OR HOSPITALITY TO INTERESTED PERSONS

The following are gift and/or hospitality policy requirements:

- **General Policy:** All Redflex directors, employees and Commercial Intermediaries who offer or provide Gifts or Hospitality to an Interested Person must ensure that it is ethical and legal and cannot reasonably be interpreted as an attempt to obtain or retain an improper business advantage for Redflex or otherwise reflects negatively on the reputation of Redflex or the recipient. Any Gift or Hospitality provided to an Interested Person shall be done openly and transparently and shall be recorded fairly and accurately and Redflex’s books and records. Any Gifts or Hospitality over \$100 requires approval from the Compliance Department.
- **Business-Appropriate:** Any Gift or Hospitality provided to an Interested Person shall be business-appropriate. A Gift or Hospitality is never business-appropriate if it: (1) would embarrass the Interested Person or Redflex if it were publicly disclosed, (2) is excessive or provided so frequently that it could be interpreted as an attempt to influence the Interested Person, or (3) is disproportionate to the annual income of the Interested Person.
- **Business Purpose:** Hospitality offered on behalf of Redflex must be directly related to Redflex business. Hospitality must be reasonable and bona fide and must be offered only in connection with the promotion, demonstration or explanation of company products or services or the execution or performance of a contract with an Interested Person (or their agency/organization). The costs associated with such Hospitality will be only those necessary and reasonable to educate the Interested Person about Redflex operations.

- **Strictly Prohibited:** Under no circumstances shall Redflex employees, directors or Commercial Intermediaries give to Interested Persons: (1) Gifts or Hospitality in the form of legal currency and cash equivalents such as travelers' checks, gift cards, bearer instruments, notes and similar instruments or equity or debt instruments of any kind issued by Redflex or any of its affiliates or subsidiaries, or any other business entity; (2) per diem payments, extensions of credit or the forgiveness of debt; (3) Gifts or Hospitality provided in secret; (4) Gifts or Hospitality that have the appearance of illegality; or (5) Gifts or Hospitality that violate the local laws or policies of the Interested Person's employer/agency.
- **Legal Under Local Laws and Policies:** The Redflex employee, director or Commercial Intermediary proposing the Gift or Hospitality shall consult the local laws and customs governing Gifts and Hospitality for the country, state or locality, in which the Interested Person is based, as well as the Interested Person's policy on Gifts and Hospitality, to determine that the Gift or Hospitality conforms to local law or local custom and individual policy. In the event that the value of the Gift or Hospitality exceeds the limits permitted by local laws or custom or violates the Interested Person's policy, then the Gift or Hospitality shall not be extended.
- **Special Note Regarding Government Employees and Foreign Government Officials:** The laws and regulations governing the offering of Gifts and Hospitality to Government Employees and Foreign Government Officials are complex and it is the policy of Redflex to strictly comply with such laws and regulations. In all cases, it is against Redflex policy to offer, promise or give Gifts or Hospitality to Government Employees or Foreign Government Officials unless the laws and regulations applicable to that Government Employee or Foreign Government Official expressly permit the acceptance of such Gifts and Hospitality. In addition, Redflex employees, directors and Commercial Intermediaries shall not, directly or indirectly, give, offer or promise Gifts or Hospitality to any Government Employees or Foreign Government Officials without the prior, written approval of the Compliance Department.
- **Transparency and Documentation:** All Gifts and Hospitality extended by Redflex directors, employees and Commercial Intermediaries to Interested Persons, regardless of the value, shall be accurately reflected in the books, records and accounts of Redflex, and shall in all circumstances record the following in reasonable detail:
  - The date, names, titles and company, government or agency of the Interested Persons.
  - The names and titles of the Redflex employees involved.
  - A description of the Gift or Hospitality and the precise value of the Gift or Hospitality. If a precise value cannot be assigned, then a reasonable estimate of its value shall be provided.
  - The business purpose of the Gift or Hospitality.
- **Spouses and Significant Others:** Under no circumstances shall the spouses, significant others or relatives of Interested Persons be given any Gift or invited to, or participate, in any Hospitality without the prior written approval of the Compliance Department, regardless of the value thereof.
- **Personal Funds:** No employees, directors or Commercial Intermediaries shall use personal funds, whether or not reimbursed by Redflex, to provide Gifts or Hospitality to Interested Persons in a manner inconsistent with the Anti-Bribery Policy & Procedures. In other words, Redflex employees and directors shall comply with the provisions of these procedures even if personal funds are used.

**Frequency of Gifts—Non-Government Interested Persons:** Frequency of Gifts and Hospitality must be carefully monitored, as the cumulative effect may give rise to the appearance of improper conduct. In the event that a Non-Government Interested Person receives Gifts or Hospitality valued at US\$100 or less three times in a single twelve-month period, then any additional Gifts and Hospitality thereafter during the next

twelve months shall be treated as valued at more than US\$100 for purposes of these procedures, and shall require the prior written approval of the Compliance Department.

**Frequency of Gifts—Government Employees and Foreign Government Officials:** Under no circumstances should Redflex employees, directors or Commercial Intermediaries provide Gifts or Hospitality (even of nominal value) to Government Employees or Foreign Government Officials without prior written approval of the Compliance Department irrespective of whether a prior gift has been approved.

**Widely Attended Gatherings:** Hospitality provided at, in conjunction with, or during widely-attended events such as trade shows shall not require prior approval, provided that all of the following are satisfied:

- The Hospitality must be of reasonable value, conforms strictly to the requirements set forth in these procedures, and may not be offered to improperly influence any Interested Person.
- The widely-attended event in question has at least forty attendees and the Redflex-sponsored Hospitality will have at least fifteen attendees.
- The Hospitality is approved in writing by the Compliance Department prior to the widely attended gathering.
- The Hospitality shall be fully documented and submitted to the Compliance Department not less than seven business days prior to the provision of the Hospitality.
- The Redflex employee, director or Commercial Intermediary proposing Hospitality at or in conjunction with a widely-attended event shall consult the local laws and customs governing Gifts and Hospitality for the country, state or locality in which the Interested Person is based, as well as the Interested Person's policy on Gifts and Hospitality, to determine that the provision of Hospitality conforms to local laws or local custom and individual policy. In the event that the value of the Logo Item exceeds the limits permitted by local laws or custom or violates the Interested Person's policy, then the Gift or Hospitality shall not be extended.

**The Value of Gifts and Hospitality at a Widely-Attended Gathering:** In the case of Hospitality, the value of Hospitality under these procedures shall be the total actual cost of the event, in U.S. dollars, divided by the number of participants or attendees reasonably expected to attend or that will be invited to the event. In the case of Gifts, the value of the Gift under these procedures shall be the greater of: (i) the actual cost to Redflex of the Gift; (ii) the fair market value (if any) of the Gift; and (iii) the face value (if any) of the Gift. All caps and limits set forth in these procedures are in U.S. dollars but also apply to the equivalent amount of converted into a foreign currency.

#### **4.1 TRAVEL, LODGING AND HOSPITALITY EXPENSES FOR GOVERNMENT EMPLOYEES OR FOREIGN GOVERNMENT OFFICIALS**

Travel and lodging may not be provided to Government Employees or Foreign Government Officials unless prior written authorization is obtained from the Compliance Department, and provided that all of the following are satisfied:

- **Directly Related to Redflex Business:** Travel, Lodging and Related Hospitality Expenses must be completely and directly related to Redflex business, and must be offered only in connection with the promotion, demonstration or explanation of Redflex products or services or the execution or performance of a contract with a foreign government customer. The costs associated with such Travel, Lodging and Related Hospitality Expenses will be only those necessary and reasonable to educate the Government Employee or Foreign Government Official about Redflex operations.

Redflex may not select the particular Government Employee or Foreign Government Official who may travel. This decision may be made only by the relevant Government agency.

- **Transparency and Documentation:** All Travel, Lodging and Related Hospitality Expenses, regardless of value, must be fairly and accurately recorded in Redflex's books and records in accordance with the recording procedures outlined in this Procedure.
- **Legal and Appropriate Under Local Laws:** All Travel, Lodging and Related Hospitality Expenses must be reasonable, appropriate to the circumstances, tasteful, permitted under the U.S. federal, state, and local government laws and the laws of the country in which the recipient resides, and guidelines of the Official's employer/agency. The Travel, Lodging and Related Hospitality Expenses may not be lavish.
- **Prior Approval from Supervisor:** If Redflex will pay airfare or lodging expenses for a Government Employee or Foreign Government Official in connection with the Government Employee or Foreign Government Official's visit to a Redflex office or facility, Redflex must obtain prior written approval from the Government Employee or Foreign Government Official's supervisor that the visit and proposed hospitality are permissible.
  - If the terms of a contract with a Government customer specifically require a Government Employee or Foreign Government Official's to visit Redflex's office or facilities, prior written approval or confirmation from the Government Employee or Foreign Government Official's supervisor is not required, but all travel and lodging expenses related to any such visit shall be subject to the Requirements in Section 4 of these Procedures.
- **Payment Directly to Vendors:** Travel, Lodging and Related Hospitality Expenses shall be paid directly to vendors (e.g., hotels, travel agencies, airlines). If direct payment is not possible, Redflex will reimburse the Government Employee or Foreign Government Official only up to a modest amount and upon the presentation of itemized receipts. Any reimbursement paid will be directly to the Government Employee or Foreign Government Official's employer/agency—Redflex will never directly reimburse a Government Employee or Foreign Government Official for his/her expenses.
  - **No Advancement:** Advancement of Travel, Lodging and Related Hospitality Expenses is strictly prohibited.
- **Economy Class Travel Required:** All commercial airfare for Government Employees or Foreign Government Officials paid for by Redflex will be economy class.
- **Business Class Lodging Required:** All lodging for Government Employees or Foreign Government Officials paid for by Redflex will be in business-class hotels. First-class hotels are not permitted.
- **No Compensation for Travel:** Redflex may not compensate the Government Employee, Foreign Government Official, or foreign Government customer for the visit to a Redflex office or facility.
- **No Spouses or Significant Others:** Redflex may not provide Travel, Lodging and Related Hospitality Expenses to a Government Employee or Foreign Government Official's spouse, significant other or relative.
- **Business Travel Must be Necessary:** No Travel, Lodging and Related Hospitality Expenses shall be offered to a Government Employee or Foreign Government Official if the business reason underlying the trip does not require travel.
- **No Entertainment, Side Trips or Spending Money:** Redflex shall not fund, organize or host entertainment, side trips or leisure activities for the Government Employee or Foreign Government

Official, nor provide the Government Employee or Foreign Government Official with a stipend or spending money.

- **Meals and Refreshments:** Expenses for meals and refreshments for Government Employees and Foreign Government Officials must comply with the laws, regulations and policies applicable to the Government Employee, and must receive the advanced, written approval of the Compliance Department.

## 5 PROCESS FLOW FOR PROVIDING GIFTS AND /OR HOSPITALITY TO NON-GOVERNMENT INTERESTED PERSONS

### 5.1 COMPLETE "REQUEST TO PROVIDE GIFTS AND/OR HOSPITALITY TO NON-GOVERNMENT INTERESTED PERSONS" FORM – APPENDIX A

Employee, director, or commercial intermediary must complete "Request to Provide Gifts and/or Hospitality to Non-Government Interested Persons" form. The Gift(s) and Hospitality must comply with the requirements for Gifts and Hospitality set forth in the Requirements section above.

**Logo Items:** The provision of any Gifts or tangible object bearing a Redflex name or logo, or the name or logo of any Redflex business unit or product ("Logo Items") **to Non-Government Interested Persons**, shall not require review or approval, provided that all of the above requirements in Section 4 are satisfied.

### 5.2 REVIEW AND APPROVE REQUEST FORM

**If the Gift and/or Hospitality is US\$100 or less and does not follow 3 such Gifts/Hospitality provided to the same Non-Government Interested Person**, Department Head must review the "Request to Provide Gifts and/or Hospitality to Non-Government Interested Persons" form and complete the review and approval section in strict compliance with the Gift and Hospitality Policy Requirements outlined in Section 4. If the Gift and/or Hospitality complies with the Requirements, then the Department Head can approve the form. If the gift/hospitality does not comply with the requirements, the form shall be forwarded to Compliance Department for review.

**If the Gift and/or Hospitality is greater than \$100 OR follows 3 such Gifts/Hospitality provided to the same Non-Government Interested Person**, then the request must be reviewed and approved by Compliance Department. Requests to provide Gifts and Hospitality to Non-Government Interested Persons must be submitted to the Compliance Department no less than ten business days prior to the date on which the Gift or Hospitality is proposed to be conveyed.

See Appendix A for "Request to Provide Gifts and/or Hospitality to Non-Government Interested Persons" form.

### 5.3 SUBMIT EXPENSE FOR PAYMENT OR REIMBURSEMENT

In the case where an employee, director or Commercial Intermediary incurs expenses in connection with providing Gifts or Hospitality, the employee, director or Commercial Intermediary shall submit an expense report and attach original, itemized receipts to Department Head to approve within fifteen business days following the provision of the Gift or Hospitality.

In the case where a Gift or Hospitality is paid for using Redflex funds, the Gift or Hospitality shall be fully documented, including itemized receipts, and attached to a Payment Request or Invoice in a timely manner. The Payment Request or Invoice shall be approved by Department Head.

In both cases above, a copy of the pre-approved "Request to Provide Gifts and/or Hospitality to Non-Government Interested Persons" form shall be attached to the documents. Neither payment nor

reimbursement shall be provided without this form documenting that the Gift or Hospitality has been approved in accordance with these procedures outlined in 5.2.

#### **5.4 RECORD EXPENSE IN DETAIL (ACCOUNTING DEPARTMENT)**

All Gifts and Hospitality extended by Redflex employees to Interested Persons shall be fairly and accurately reflected in the books, records and accounts of Redflex, and shall in all circumstances record the following in reasonable detail:

- The date, names, titles and company of the Interested Persons.
- The names and titles of the Redflex employees involved.
- A description of the Gift or Hospitality and the precise value of the Gift or Hospitality. If a precise value cannot be assigned, then a reasonable estimate of its value shall be provided.
- The business purpose of the Gift or Hospitality.

#### **5.5 FORWARD COPY OF FORM TO THE COMPLIANCE DEPARTMENT FOR FILING PURPOSES**

A copy of all "Request to Provide Gifts and/or Hospitality to Non-Government Interested Persons" forms approved by the Department Head must be forwarded to the Compliance Department for filing purposes.

## **6 PROCESS FLOW FOR PROVIDING GIFTS AND/OR HOSPITALITY TO GOVERNMENT EMPLOYEES OR FOREIGN GOVERNMENT OFFICIALS**

### **6.1 COMPLETE "REQUEST TO PROVIDE GIFTS AND/OR HOSPITALITY TO GOVERNMENT EMPLOYEES OR FOREIGN GOVERNMENT OFFICIALS" FORM - APPENDIX B**

Employee, director, or commercial intermediary must complete "Request to Provide Gifts and/or Hospitality to Government Employees or Foreign Government Officials" form. The gift(s) must comply with the requirements for gifts and hospitality set forth in the Requirements Section 4 above.

### **6.2 SUBMIT FORM**

Requests to provide Gifts and Hospitality to Government Employees or Foreign Government Officials must be submitted to the Compliance Department no less than ten business days prior to the date on which the Gift or Hospitality is proposed to be conveyed.

### **6.3 REVIEW AND APPROVE REQUEST FORM**

The Compliance Department must review the "Request to Provide Gifts and/or Hospitality to Government Employees or Foreign Government Officials" form and complete the review and approval section in writing considering the gift requirements set forth above.

If the gift/hospitality complies with the requirements, then the Compliance Department can approve the form. If the gift/hospitality does not comply with the requirements, the gift will be denied by the Compliance Department.

See Appendix B for "Request to Provide Gifts and/or Hospitality to Government Employees or Foreign Government Officials" form.

### **6.4 SUBMIT EXPENSE FOR PAYMENT OR REIMBURSEMENT**

In the case where an employee, director or Commercial Intermediary incurs expenses in connection with providing Gifts or Hospitality, the employee, director or Commercial Intermediary shall submit an expense report and attach original, itemized receipts to the Department Head to approve within fifteen business days following the provision of the Gift or Hospitality.

In the case where a Gift or Hospitality is paid for using Redflex funds, the Gift or Hospitality shall be fully documented, including itemized receipts, and attached to a Payment Request or Invoice in a timely manner. The Payment Request or Invoice shall be approved by the Compliance Department.

In both cases above, a copy of the "Request to Provide Gifts and/or Hospitality to Government Employees or Foreign Government Officials" form shall be attached to the documents and the packet submitted to Accounting in a timely manner. Neither payment nor reimbursement shall be provided without this form documenting that the Gift or Hospitality has been approved in accordance with these procedures.

### **6.5 RECORD EXPENSE IN DETAIL (ACCOUNTING DEPARTMENT)**

All Gifts and Hospitality extended by Redflex employees or commercial intermediaries to Interested Persons shall be accurately reflected in the books, records and accounts of Redflex, and shall in all circumstances record the following in reasonable detail:

- The date, names, titles and company, government or agency of the Interested Persons.
- The names and titles of the Redflex employees involved.

- A description of the Gift or Hospitality and the precise value of the Gift or Hospitality. If a precise value cannot be assigned, then a reasonable estimate of its value shall be provided.
- The business purpose of the Gift or Hospitality.

#### **6.6 FILE FORMS IN COMPLIANCE DEPARTMENT**

The Compliance Department shall file the approved "Request to Provide Gifts and/or Hospitality to Government Employees or Foreign Government Officials" form and supporting documentation.

**General Policy:** Any Gifts or Hospitality over \$100, or any special discounts from any person or firm doing, or seeking to do business with Redflex requires approval from the Compliance Department.

**No Quid Pro Quo:** It is the policy of Redflex to never solicit or coerce the offering of a Gift or Hospitality, or accept a Gift or Hospitality in return for being influenced or where a reasonable person might believe that the acceptance of the Gift or Hospitality has influenced the Redflex employee in the performance of his or her duties.

**Frequency of Gift/Hospitality Acceptance:** The frequency of the receipt of Gifts and Hospitality must be carefully monitored, as the cumulative effect may give rise to the appearance of improper conduct. In the event that a Redflex employee or director receives Gifts or Hospitality from the same person or firm valued at US\$100 or less three times in a single twelve-month period, then any additional Gifts and Hospitality thereafter during the next twelve months shall be treated as valued at more than US\$100 for purposes of these procedures, and shall require the prior written approval of the Compliance Department.

**Commercial Intermediaries:** Commercial Intermediaries are strictly prohibited from accepting, directly or indirectly, any Gifts and Hospitality (even of nominal value), from any person or firm doing, or seeking to do business with Redflex.

**Strictly Prohibited:** *Receipt of these types of Gifts or Hospitality is simply wrong and may result in severe disciplinary action, up to and including termination. They are never permissible, and no one can approve them.* **All Redflex Employees and Directors are strictly prohibited from soliciting or accepting the following:**

- Any Gift of cash or cash equivalent (such as gifts cards, travelers' checks, bearer instruments, notes and similar instruments), or loans of any kind.
- Any gift or entertainment that is a "quid pro quo" (offered for something in return) or where a reasonable person might believe that the acceptance of the gift has influenced the employee or director in the performance of his or her duties.
- Any entertainment that is indecent, sexually oriented, or might otherwise adversely affect Redflex's reputation.
- A gift or entertainment an employee or director would be embarrassed to disclose or seek approval for.

**Note Regarding Redflex Employees Assigned to Procurement Functions:** Redflex employees performing procurement-related functions **may not accept any** Gifts or Hospitality from suppliers, subcontractors or vendors, except Logo items of nominal value (e.g., keychain, water bottle, glass, pen) **EXCEPT with advance written approval from the Director of Compliance.**

## 8 PROCESS FLOW FOR RECEIVING GIFTS AND/OR HOSPITALITY

### 8.1 COMPLETE "REQUEST TO RECEIVE GIFTS AND/OR HOSPITALITY" FORM - APPENDIX C

Employee, Director, or Commercial Intermediary must complete "Request to Receive Gifts and/or Hospitality" form. The gift(s) must comply with the requirements for gifts and hospitality set forth in the Requirements Section 7 above.

### 8.2 REVIEW AND APPROVE REQUEST FORM

If the Gifts or Hospitality is valued at US\$100 or less, does NOT follow 3 such Gifts/Hospitality provided by the same person or firm in the prior 12 months, OR the recipient does NOT have procurement responsibilities, it may be approved by the Department Head.

If this Gift or Hospitality is greater than US\$100, follows 3 such Gifts/Hospitality provided by the same person or firm in the prior 12 months, OR the recipient DOES have procurement responsibilities, it must be approved by the Director of Compliance. The Director of Compliance must review the form, ensure that the gift and/or hospitality is reasonable and appropriate and does not conflict with any policy requirements. Requests to receive Gifts and Hospitality must be submitted to the Compliance Department no less than ten business days prior to the date on which the Gift or Hospitality is proposed to be received.

### 8.3 FORWARD COPY OF FORM TO THE COMPLIANCE DEPARTMENT FOR FILING PURPOSES

A copy of the "Request to Receive Gifts and/or Hospitality" forms approved by the Department Head must be forwarded to the Compliance Department for filing purposes.

## 9 AUTHORIZATION AND CHANGE HISTORY

### Authorization

This document is authorized by:

Name:	Risk and Compliance Committee Chairman
Title:	
Approval Date:	August 2016

### Change History Log

Date	Ver. #	Change Description	Author
5/2/2012	1	Initial Draft	Director of Internal Audit
11/5/2012	2	Finalize Draft	Assistant General Counsel and Anti-Bribery Expert Consultant
12/17/2012	3	p. 10 - Redflex employees assigned to procurement functions may accept reasonable gifts and hospitality upon written approval from the General	Assistant General Counsel and Anti-Bribery Expert

		Counsel's office.	Consultant
1/30/2013	4	Corrected section numbers; added "commercial intermediaries" to Appendices A, B & C to comport with the procedures; added "government affiliation" to Appendix B and "government affiliation and city/state (as applicable" to Appendices A & B.	Assistant General Counsel
3/29/2013	5	Changed General Counsel's office to Compliance Department for all independent review and approvals; clarified wording for extending gifts at Widely Attended Events as well as receipt of gifts by employees; Clarified Appendix A should be reviewed and approved by Compliance Department if over \$100 or more than 3 times to same person/entity; Deleted \$100 from title of Appendix C – "Request to Receive Gifts and/or Hospitality"; Clarified all appendices in conjunction with changes in procedures	Director of Compliance
10/15/2013	6	Added deadlines for submitting Appendix A and Appendix C to Compliance Department.	Director of Compliance

# APPENDIX A

## REQUEST TO PROVIDE GIFTS AND/OR HOSPITALITY TO NON-GOVERNMENT INTERESTED PERSONS

**NOTE: Request must be completed by employee, director, or commercial intermediary and approved by Department Head (only if US\$100 or less OR does not follow 3 such Gifts/Hospitality provided to the same Non-Government Interested Person) and submitted to the Compliance Department for maintenance and filing.**

**If this Gift or Hospitality is greater than \$100 OR follows 3 such Gifts/Hospitality provided to the same Non-Government Interested Person, then this request must be approved by the Compliance Director. Form MUST be submitted to Compliance a minimum of 10 business days prior to hospitality. Do NOT complete this form if the Interested Person is a Government Employee or Foreign Government Official (see Appendix B).**

### **Part I - To be completed by Employee or Director, or Commercial Intermediary**

1.) What is the name or names of the Interested Person(s) to whom the Gift or Hospitality is to be given?

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2.) What is the title(s) of the Interested Person(s) to whom the Gift or Hospitality is to be given?

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3.) What is the authority level of the person and what level of influence over the Redflex relationship do they have?

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4.) What Company does the Interested Person(s) to whom the Gift or Hospitality is to be given work for?

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5.) The name(s) and title(s) of the Redflex employee(s) or Commercial Intermediary providing the Gifts or attending the Hospitality?

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6.) Describe the Gift or Hospitality:

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7.) What is the calculated value of the gift or hospitality?

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8.) What is the business purpose and justification for the Gift or Hospitality?

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9.) When will the gift be given or hospitality take place?

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10.) Does the Gift or Hospitality conform to local law or local custom and individual policy? (**A citation to and brief description of the specific law and individual policy governing the provision of gifts to this particular Interested Person is required**). **ASK RECIPIENTS ABOUT THEIR LAWS & POLICIES.**

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11.) Does this Gift or Hospitality follow 3 such Gifts/Hospitality provided to this particular Interested Person in the prior 12 months?

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12.) Does Redflex have any current or anticipated business with, or decisions coming before, the Interested Person or the Interested Person's organization or agency? If so, please describe.

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13.) Does this Interested Person have the power to assist or hinder Redflex's business? If so, please describe.

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14.) Is there any additional (relevant) information relating to the proposed Gifts or Hospitality that has not been addressed in this form?

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\_\_\_\_\_  
**Employee/Director /Commercial Intermediary Signature**  
**(Attesting that above is true)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

## Part II - To be completed by Department Head OR Director of Compliance

The provision of Gifts and Hospitality to a Non-Government Interested Person valued at US\$100 or less may be approved by the Department Head if it does not follow 3 such Gifts/Hospitality provided to the same Non-Government Interested Person.

If this Gift or Hospitality is greater than \$100 OR follows 3 such Gifts/Hospitality provided to the same Non-Government Interested Person, then this request must be approved by the Director of Compliance.

The following requirements must be met:

- **Business Purpose:** Hospitality offered on behalf of Redflex must be directly related to Redflex business. The costs associated with such Hospitality will be only those necessary and reasonable to educate the Interested Person about Redflex operations.
- **Strictly Prohibited:** Under no circumstances shall Redflex employees, directors or Commercial Intermediaries give to Non-Government Interested Persons: (1) Gifts or Hospitality in the form of legal currency and cash equivalents such as travelers' checks, gift cards, bearer instruments, notes and similar instruments or equity or debt instruments of any kind issued by Redflex or any of its affiliates or subsidiaries, or any other business entity; (2) per diem payments, extensions of credit or the forgiveness of debt; (2) Gifts or Hospitality provided in secret; (3) Gifts or Hospitality that have the appearance of illegality; or (4) Gifts or Hospitality that violate the local laws or policies of the Interested Person's employer.
- **Permitted Under Law & Policy:** Under no circumstances may a Redflex employee, director or Commercial Intermediary offer, promise or give Gifts or Hospitality unless the laws and policies applicable to that Interested Person expressly permit the acceptance of such Gifts and Hospitality.
- **Spouses/Significant Others:** Under no circumstances shall the spouses, significant others or relatives of Interested Persons be given any Gift or invited to, or participate, in any Hospitality without the prior written approval of the Compliance Department, regardless of the value thereof.
- **Personal Funds:** No Redflex employees, directors or Commercial Intermediaries shall use personal funds, whether or not reimbursed by Redflex, to provide Gifts or Hospitality to Interested Persons in a manner inconsistent with the Anti-Bribery Policy & Procedures. In other words, Redflex employees, directors and Commercial Intermediaries shall comply with the provisions of these procedures even if personal funds are used.
- **Anticipated or Pending Business:** If the Interested Person has direct or indirect decision-making responsibility over an anticipated or pending decision that will affect Redflex's interest, no Gift or Hospitality may be provided to the Interested Person without the prior, written approval of the Compliance Department.

**Note regarding the value of Gifts and Hospitality:** In the case of Hospitality, the value of Hospitality under these procedures shall be the total actual cost of the event, in U.S. dollars, divided by the number of participants or attendees reasonably expected to attend or that will be invited to the event. In the case of Gifts, the value of the Gift under these procedures shall be the greater of: (i) the actual cost to Redflex of the Gift; (ii) the fair market value (if any) of the Gift; and (iii) the face value (if any) of the Gift. All caps and limits set forth in these procedures are in U.S. dollars but also apply to the equivalent amount converted into a foreign currency

1.) Are the Gift and/or Hospitality requirements outlined above and in Section 4 met?

\_\_\_\_\_

\_\_\_\_\_

2.) Is the Gift and/or Hospitality permissible under local laws, customs or policies governing the provision of Gifts and/or Hospitality to the Interested Person?

**NOTE: In the event that the value of the Gift or Hospitality exceeds the limits permitted by local laws or custom, or violates the Interested Person's organization policy relating to Gifts and Hospitality, then the Gift or Hospitality shall not be provided to the Interested Person.**

\_\_\_\_\_

\_\_\_\_\_

3.) Has the Interested Person received Gifts or Hospitality valued at US\$100 or less three times in a single twelve-month period?

**NOTE: If so, then any additional Gifts and Hospitality thereafter during the next twelve months shall be treated as valued at more than US\$100 for purposes of these procedures, and shall require prior, written approval from the Compliance Department.**

\_\_\_\_\_

\_\_\_\_\_

**Request for Gifts or Hospitality provided to Non-Government Interested Persons *approved by Department Head (Attesting that above is true):***

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**Request for Gifts or Hospitality provided to Non-Government Interested Persons *approved by Director of Compliance (if gift is greater than US\$100 OR 4<sup>th</sup> time in a 12 month period):***

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**APPENDIX B**

**REQUEST TO PROVIDE GIFTS AND/OR HOSPITALITY TO GOVERNMENT EMPLOYEES OR FOREIGN GOVERNMENT OFFICIALS**

**NOTE: To be Completed by Employee, Director, or Commercial Intermediary and Approved by the Compliance Department. Form MUST be submitted to Compliance a minimum of 10 business days prior to hospitality.**

**Part I - To be completed by Employee, Director, or Commercial Intermediary**

1.) What is the name or names of the Government Employee or Foreign Government Official to whom the Gift or Hospitality is to be given?

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2.) What is the title(s) of the Government Employee or Foreign Government Official to whom the Gift or Hospitality is to be given?

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3.) What is the authority level of the Government Employee or Foreign Government Official and what level of influence do they have over our program?

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4.) What is the name of the city/state affiliation and Government agency/organization?

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5.) The name(s) and title(s) of the Redflex employee(s) providing the Gifts or attending the Hospitality?

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6.) Describe the Gift or Hospitality:

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7.) What is its calculated value?

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8.) What is the business purpose and justification for the Gift or Hospitality?

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9.) When will the gift be given or hospitality take place?

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10.) Does the Gift or Hospitality conform to local law or local custom and individual policy? (**A citation to and brief description of the specific law and individual policy governing the provision of gifts to this particular Interested Person is required**). **ASK RECIPIENT ABOUT THEIR LAWS AND POLICIES.**

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11.) Does this Gift or Hospitality follow other Gifts/Hospitality provided to this particular Government Employee or Foreign Government Official in the prior 12 months?

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12.) Does Redflex have any current or anticipated business with, or decisions coming before, the organization or agency of the Government Employee or Foreign Government Official? If so, please describe.

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13.) Does this Government Employee or Foreign Government Official have the power to assist or hinder Redflex's business? If so, please describe.

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14.) Has the Government Employee or Foreign Government Official's supervisor approved the acceptance of the Gift and/or Hospitality? **ASK RECIPIENT IF GIFT/HOSPITALITY IS APPROVED.**

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15.) If the Hospitality requires travel, are there any stopovers en route (other than those less than a day for transportation connections)?

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16.) Is there any additional (relevant) information relating to the proposed Gifts or Hospitality that has not been addressed in this form?

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**Employee/Director /Commercial Intermediary Signature  
(Attesting that above is true)**

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**Date**

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**Print Name**

## Part II - To be completed by the Compliance Department

The provision of Gifts and Hospitality to Government Employees or Foreign Government Officials require review and approval by the Compliance Department, provided that all of the following are satisfied:

- **Business Purpose:** Hospitality offered on behalf of Redflex must be directly related to Redflex business. Hospitality must be reasonable and bona fide and must be offered only in connection with the promotion, demonstration or explanation of company products or services or the execution or performance of a contract with an Interested Person (or their agency/organization). The costs associated with such Hospitality will be only those necessary and reasonable to educate the Interested Person about Redflex operations.
- **Strictly Prohibited:** Under no circumstances shall Redflex employees, directors or Commercial Intermediaries give to Interested Persons: (1) Gifts or Hospitality in the form of legal currency and cash equivalents such as travelers' checks, gift cards, bearer instruments, notes and similar instruments or equity or debt instruments of any kind issued by Redflex or any of its affiliates or subsidiaries, or any other business entity; (2) per diem payments, extensions of credit or the forgiveness of debt; (3) Gifts or Hospitality provided in secret; (4) Gifts or Hospitality that have the appearance of illegality; or (5) Gifts or Hospitality that violate the local laws or policies of the Interested Person's employer/agency.
- **Spouses/Significant Others:** Under no circumstances shall the spouses, significant others or relatives of Interested Persons be given any Gift or invited to, or participate, in any Hospitality without the prior written approval of the Director of Compliance, regardless of the value thereof.
- **Personal Funds:** No Redflex employees, directors or Commercial Intermediaries shall use personal funds, whether or not reimbursed by Redflex, to provide Gifts or Hospitality to Interested Persons in a manner inconsistent with the Anti-Bribery Policy & Procedures. In other words, Redflex employees, directors and Commercial Intermediaries shall comply with the provisions of these procedures even if personal funds are used.
- **Permitted Under Law and Policy:** Under no circumstances may a Redflex employee, director or Commercial Intermediary offer, promise or give Gifts or Hospitality to Government Employees or Foreign Government Officials unless the laws and regulations applicable to that Government Employee or Foreign Government Official expressly permit the acceptance of such Gifts and Hospitality.
- **Anticipated or Pending Business:** If the Interested Person has direct or indirect decision-making responsibility over an anticipated or pending decision that will affect Redflex's interests, no Gift or Hospitality may be provided to the Interested Person without the prior, written approval of the Director of Compliance.
- **Travel and Lodging:** If the Gift or Hospitality involves travel, lodging or entertainment, it must comply with the travel and lodging requirements outlined in Section 4 of these Procedures.

**Note regarding the value of Gifts and Hospitality:** In the case of Hospitality, the value of Hospitality under these procedures shall be the total actual cost of the event, in U.S. dollars, divided by the number of participants or attendees reasonably expected to attend or that will be invited to the event. In the case of Gifts, the value of the Gift under these procedures shall be the greater of: (i) the actual cost to Redflex of the Gift; (ii) the fair market value (if any) of the Gift; and (iii) the face value (if any) of the Gift. All caps and limits set forth in these procedures are in U.S. dollars but also apply to the equivalent amount converted into a foreign currency.

1.) Are the above gift and/or hospitality requirements met?

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2.) Is there a conflict with local laws and customs governing Gifts and Hospitality consulted or the Government Employee or Foreign Government Official's policy on Gifts and Hospitality?

**NOTE: In the event that the value of the Gift or Hospitality exceeds the limits permitted by local laws or custom, violates the laws applicable to the Government Employee or Foreign Government Official, or violates the Government Employee or Foreign Government Official's agency or organization policy, then the Gift or Hospitality shall not be extended.**

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3.) Has the Government Employee or Foreign Government Official received Gifts or Hospitality more than once in a single twelve-month period?

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\_\_\_\_\_  
**Request Approved by Compliance Department**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

## APPENDIX C

### REQUEST TO RECEIVE GIFTS AND/OR HOSPITALITY

**NOTE: Request must be completed by Employee, Director, or Commercial Intermediary.**

***If the Gifts or Hospitality is valued at US\$100 or less, does NOT follow 3 such Gifts/Hospitality provided by the same person or firm in the prior 12 months, OR the recipient does NOT have procurement responsibilities, it may be approved by the Department Head. The form must be submitted to the Compliance Department for maintenance and filing.***

***If this Gift or Hospitality is greater than US\$100, follows 3 such Gifts/Hospitality provided by the same person or firm in the prior 12 months, OR the recipient DOES have procurement responsibilities, it must be approved by the Director of Compliance. Form MUST be submitted to Compliance a minimum of 10 business days prior to hospitality.***

#### **Part I - To be completed by Employee, Director, or Commercial Intermediary**

1.) What is the name or names of the person giving the Gift or Hospitality?

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2.) What is the title(s) of the person giving the Gift or Hospitality?

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3.) What is the authority level of the person and what level of influence over the Redflex relationship do they have?

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4.) What Company does the Person(s) giving the Gift or Hospitality work for?

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5.) The name(s) and title(s) of the Redflex employee(s) receiving the Gifts or attending the Hospitality?

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6.) What is the Gift or Hospitality?

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7.) What is the calculated value?

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8.) What is the business purpose of the Gift or Hospitality?

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9.) When will the Gift be received or Hospitality take place?

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10.) Does this Gift or Hospitality follow 3 such Gifts/Hospitality provided by this particular person or firm in the prior 12 months?

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11.) Does the Gift or Hospitality conform to Redflex company policy?

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\_\_\_\_\_  
**Employee/Director /Commercial Intermediary Signature  
(Attesting that above is true)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

## Part II - To be completed by Department Head OR Director of Compliance

If the Gifts or Hospitality is valued at US\$100 or less, does NOT follow 3 such Gifts/Hospitality provided by the same person or firm in the prior 12 months, OR the recipient does NOT have procurement responsibilities, it may be approved by the Department Head and shall not require approval by the Director of Compliance. Form should be forwarded to the Compliance Department for filing and maintenance.

If the Gifts or Hospitality is valued at more than US\$100, follows 3 such Gifts/Hospitality provided by the same person or firm in the prior 12 months, OR the recipient DOES have procurement responsibilities, it must be approved by the Director of Compliance.

The receipt of Gifts and Hospitality may be approved, provided that they do NOT meet any of the following unacceptable criteria:

- **No Cash or Cash Equivalents:** Under no circumstances shall Redflex employees or directors receive any Gift of cash or cash equivalent (such as gifts cards, travelers' checks, bearer instruments, notes and similar instruments), or loans of any kind.
- **Procurement Function Restriction:** Under no circumstances shall Redflex employees performing procurement functions accept any Gifts or Hospitality from suppliers, subcontractors or vendors, except Logo items of nominal value (e.g., keychain, water bottle, glass, pen) **EXCEPT with advance written approval from the Director of Compliance** .
- **No Solicitation or Coercion:** Under no circumstances shall Redflex employees solicit or coerce the offering of a gift, or accept a gift in return for being influenced or where a reasonable person might believe that the acceptance of the gift has influenced the employee in the performance of his or her duties.
- **No Quid Pro Quo:** Always unacceptable is any gift or entertainment that is a "quid pro quo" (offered for something in return) or where a reasonable person might believe that the acceptance of the gift has influenced the employee in the performance of his or her duties.
- **Indecent Gifts or Hospitality:** Always unacceptable is any entertainment that is indecent, sexually oriented or might otherwise adversely affect Redflex's reputation.
- **Gifts or Hospitality that Cause Embarrassment:** Always unacceptable is any gift or entertainment an employee would be embarrassed to disclose or seek approval for.
- **Frequency of Gifts or Hospitality:** Employees and directors shall not accept Gifts or Hospitality from the same person or firm so frequently that it gives rise to the appearance of improper conduct.

**Note regarding the value of Gifts and Hospitality:** In the case of Hospitality, the value of Hospitality under these procedures shall be the estimated total cost of the event, in U.S. dollars, divided by the number of participants or attendees reasonably expected to attend or that will be invited to the event. In the case of Gifts, the value of the Gift under these procedures shall be the greater of: (i) the actual cost (ii) the fair market value (if any) of the Gift; and (iii) the face value (if any) of the Gift. All caps and limits set forth in these procedures are in U.S. dollars but also apply to the equivalent amount converted into a foreign currency.

1.) Is the Gift and/or Hospitality acceptable under the policies listed above?

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2.) Is there a conflict with Redflex's policy on Gifts and Hospitality?

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3.) Does this Gift or Hospitality follow 3 such Gifts/Hospitality provided by this particular person or firm in the prior 12 months?

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**Request to receive Gifts or Hospitality approved by Department Head (Attesting that above is true):**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

**Request to receive Gifts or Hospitality approved by Director of Compliance (if gift is greater than US\$100, 4<sup>th</sup> time in a 12 month period, or recipient has procurement responsibilities):**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

# CHARITABLE , POLITICAL, OR SPONSORSHIP CONTRIBUTIONS AND TRADE SHOW FEE PROCEDURES

## 1 PURPOSE

The purpose of this document is to define the procedures for making Charitable, Political, or Sponsorship contributions as well as attending Trade Shows.

**Political Contributions:** No Redflex employee or director may make a Political donation, for or on behalf of Redflex, to a political party or candidate for political office, without the prior, written approval of the Compliance Department.

**Charitable / Sponsorship Contributions:** No Redflex employee or director may make a Charitable or Sponsorship contribution, for or on behalf of Redflex, to organizations or associations for the personal, financial, or political benefit of a Government Employee or Foreign Government Official or his/her family.

**Commercial Intermediaries:** Commercial Intermediaries are expressly prohibited from offering or providing Charitable contributions or Political donations, by or on behalf of Redflex. No Redflex employee or director may approve a Commercial Intermediaries request to make a Charitable, Political, or Sponsorship contribution.

**Trade Shows:** No Redflex employee or director may sign up for a Trade Show without the prior, written approval of the Compliance Department.

## 2 SCOPE

This procedure relates to political, charitable, and sponsorship contributions by or on behalf of Redflex as well as trade show fees.

### 2.1 TERMINOLOGY

A “**Government Employee**” is:

Any U.S. federal, state, or local government employee, including consultants acting on behalf of the entity.

A “**Foreign Government Official**” is:

(1) any officer or employee of a foreign government or member of its armed forces or any department, agency, or instrumentality thereof; (2) any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality; (3) any official of a public international organization (e.g., International Monetary Fund, The World Bank, the Red Cross); (4) any foreign political party or official thereof or any candidate for foreign political office; or (5) a nominee of any person described above.

“**Commercial Intermediaries**” include distributors, consultants, lobbyists, sales agents, joint venture partners, construction subcontractors and other third party intermediaries that provide services to or on behalf of Redflex.

“**Charitable Contributions**” include donations to charitable organizations for goodwill purposes.

**“Sponsorship Contributions”** include donations to trade associations for being a sponsor at a trade show/conference (i.e. a certain level of sponsorship buys better booth space at a conference/trade show and advertising) or for sponsoring various events at a trade show/conference (i.e. golf tournaments, break-out sessions at an association conference, etc.).

**“Trade Show Fees”** include the costs to participate in an industry Trade Show, including booth fees.

## 2.2 DUTY TO REPORT

All Redflex employees and directors are required to report any violations or potential violations of this procedure or the Applicable Anti-Bribery Laws to:

- **Redflex’s confidential, anonymous HOTLINE on ADP Portal; or**
- **Redflex Compliance Department: [compliance@redflex.com](mailto:compliance@redflex.com)**

### 3 PROCESS FLOW FOR MAKING CHARITABLE , POLITICAL , OR SPONSORSHIP CONTRIBUTIONS OR ATTENDING TRADE SHOWS

#### 3.1 COMPLETE "REQUEST TO MAKE A CHARITABLE, POLITICAL, OR SPONSORSHIP CONTRIBUTION OR ATTEND A TRADE SHOW " FORM

**Required Form:** Redflex employees and directors must complete and sign the "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" form. The form will ask for the following:

- The purpose of the contribution;
- The business justification for the contribution;
- The identity of the recipient of the contribution, the intended beneficiary, and the entity's Board and Committee members (and if a trade show association, the cities they work for) ;
- A statement of whether the contribution was requested or suggested by a Government Employee, Foreign Government Official, candidate for political office or political party;
- A statement of whether the business unit is engaged in or intends to engage in business with the recipient, intended beneficiary, or members on the entity's or association's Board or Committees (for trade show sponsorships), either directly or indirectly and whether the recipient, intended beneficiary, or members on the entity's or association's Board or Committees, has the authority or ability to award business to Redflex, retain business for Redflex or to otherwise influence a regulatory approval process (e.g., licenses, taxes, customs duties);
- A statement verifying that the timing of the contribution will not coincide with any pending or forthcoming contract or award that the recipient, intended beneficiary, or members on the entity's or association's Board or Committees (for trade show sponsorships), may directly or indirectly influence;
- A statement and supporting documentation indicating that the contribution is legal under local laws;
- A statement indicating whether the contribution will be recorded publicly;
- A statement indicating whether this particular recipient has received contributions from Redflex (or a Redflex employee or director) in the past; and
- The value of the donation and whether it is financial or in the nature of goods and services.

**No Cash Contributions:** Under no circumstances shall a Redflex employee or director provide a Political, Charitable, or Sponsorship contribution as well as Trade Show fee in cash.

**No Foreign Political Contributions:** Under no circumstances shall a Redflex employee or director make a political contribution to political parties or candidates in foreign countries even if the contribution is legal under the laws of the foreign country.

**Required Documentation:** All political, charitable, or sponsorship contributions, including trade show fees, must be supported by a legitimate, detailed and contemporaneous receipt from the recipient that fully and accurately describes the contribution. If the recipient refuses to provide a receipt containing this information, a contribution may not be provided.

**Fair and Accurate Recordation:** All political, charitable, and sponsorship contributions, including trade show fees, must be recorded fairly and accurately (and with sufficient detail) in the Redflex books and records.

### **3.2 SUBMIT REQUEST FORM**

Any employee or director seeking to provide a Political, Charitable, or Sponsorship contribution or attend a Trade Show must complete the "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" form and submit it to the Compliance Department for review and written pre-approval. No Political, Charitable, or Sponsorship contribution may be provided or attendance at a Trade Show may not be confirmed without the advanced, written approval of the Compliance Department. If there is a deadline for giving the contribution, form MUST be submitted to Compliance a minimum of 10 business days prior to the deadline.

If the contribution or trade show attendance complies with the requirements, then contribution or trade show attendance can be approved. Otherwise they will be rejected.

The Compliance Department has discretion over the scope of the information that is ultimately collected.

See Appendix A for "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" form.

### **3.3 REVIEW AND APPROVE REQUEST FORM**

The Director of Compliance in conjunction with the General Counsel will review the "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" form and determine whether the request is valid. If the request complies with the requirements, then it may be approved. Otherwise the request will be rejected. If valid, Director of Compliance will approve in writing in advance of the payment being made.

See Appendix A for "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" form.

### **3.4 SUBMIT EXPENSE FOR PAYMENT**

All contributions can only be made via Corporate check request using Redflex funds. The contribution shall be fully documented and attached to a Payment Request or Invoice in a timely manner. The Payment Request or Invoice shall be approved by the Department Head.

Once approved, the payment request and copy of the approved "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" form should be forwarded to Accounting in a timely manner. Payment shall not be provided without this form documenting that the contribution has been approved by the Director of Compliance in accordance with these procedures.

NOTE: Contribution or Trade Show expenses CANNOT be submitted for reimbursement on expense reports. The only way a contribution or Trade Show expense can be made (if approved) is via corporate check request.

### **3.5 RECORD EXPENSE IN DETAIL (ACCOUNTING DEPARTMENT)**

All charitable, political, or sponsorship contributions as well as Trade Show fees extended by Redflex employees and directors shall be accurately reflected in the books, records and accounts of Redflex, and shall in all circumstances record the following in reasonable detail:

- The names, titles and company of the recipient.
- The names and titles of the Redflex employees or directors involved.
- A description of the contribution or Trade Show and its precise value. If a precise value cannot be assigned, then a reasonable estimate of its value shall be provided.
- The business purpose of the contribution or trade show fee.

### 3.6 FILE FORMS IN COMPLIANCE DEPARTMENT

All "Request to Make a Charitable, Political, or Sponsorship Contribution or Attend a Trade Show" forms will be filed in the Compliance Department for maintenance and tracking.

## 4 AUTHORIZATION AND CHANGE HISTORY

### Authorization

This document is authorized by:

Name:	Risk and Compliance Committee Chairman
Title:	
Approval Date:	August 2016

### Change History Log

Date	Ver. #	Change Description	Author
4/27/2012	1	Initial Draft	Director of Internal Audit
11/5/2012	2	Various wording updates	Assistant General Counsel
3/29/2013	3	Changed General Counsel's office to Compliance Department for all independent review and approvals; Forms to be routed to Compliance; Contributions can only be paid through Corporate check request and not expense reimbursement	Director of Compliance
10/15/2013	4	Updated procedures to include references to Sponsorship Contributions and submission deadlines for forms.	Director of Compliance
2/27/2015	5	Updated procedures to add references to Trade Show fees	Director of Compliance

## APPENDIX A

### REQUEST TO MAKE A CHARITABLE, POLITICAL, OR SPONSORSHIP CONTRIBUTION OR ATTEND A TRADE SHOW

**NOTE: To be Completed by Employee or Director and Approved by Compliance Department. If there is a deadline for the contribution or trade show fee, form MUST be submitted to Compliance a minimum of 10 business days prior to deadline.**

#### **Part I - To be completed by Employee or Director**

1.) What is the purpose of the contribution or trade show?

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2.) What is the business justification for the contribution or trade show?

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3.) Who is the recipient of the contribution or trade show fee and the intended beneficiary?

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4.) Was the contribution requested or suggested by a Government Employee, Foreign Government Official, candidate for political office, or political party?

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5.) For a Charitable Contribution, provide a list of individuals on the Board or other Committee of the Charitable Organization and identify if any Board or Committee member works for a city government.

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6.) For a Sponsorship Contribution to an association or trade show, provide a list of individuals on the Board/Committees of the Association and which city each individual works for. Was this contribution requested by an individual on the Association's Board/Committees?

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7.) Did you or your Business Unit engage in or intend to engage in business with the recipient or intended beneficiary, either directly or indirectly? Do you intend to engage in business with or renew business with a city whose employee is a member of the charitable organization or trade association's Board or committees?

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8.) Does the recipient have the authority or ability to award business to Redflex, retain business for Redflex, or to otherwise influence a regulatory approval process? For Sponsorships and Charitable Organizations, consider members on the Board or Committees.

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9.) For Sponsorships and Charitable Contributions, are we in the midst of a procurement/renewal period or is there an RFP outstanding where we are competing to win business with a city on the Association or Charitable Organization's Board or Committees?

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10.) What is the value of the contribution or trade show fee?

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11.) Is it financial or in the nature of goods and services?

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12.) Are there any pending or forthcoming contracts or awards that the intended beneficiary or recipient may directly or indirectly influence? Consider all members on the Board and Committees.

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13.) Is the contribution or trade show fee legal under local laws (supporting documentation and citation to the relevant law is required)?

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14.) Will the contribution or trade show fee be recorded publicly?

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15.) Has this particular recipient received contributions from Redflex (or a Redflex employee or director) in the past?

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16.) Is the recipient willing and able to provide you with a legitimate, detailed and contemporaneous receipt that fully and accurately describes the contribution?

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\_\_\_\_\_  
**Employee/Director Signature**  
**(Attesting that above is true)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

## Part II - To be completed by the Compliance Department

The following due diligence shall be conducted, it being recognized that the Compliance Department has discretion over the scope of the information that is ultimately collected:

- **No Cash Donation:** Under no circumstances shall Redflex approve Political, Charitable, or Sponsorship contributions or trade show fees made in cash.
- **Contemporaneous Receipts Required:** All political, charitable, and sponsorship contributions must be supported by a legitimate, detailed and contemporaneous receipt from the recipient that fully and accurately describes the contribution. If the recipient refuses to provide a receipt containing this information, a contribution may not be provided.
- **Beneficiary Screening:** Screening to ensure that any recipient or intended beneficiary:
  - Is a legitimate organization that holds a government charity license, registration, or other evidence of its charitable status;
  - Does not support terrorism and is not listed on any international watch lists; and
  - That there is a proper purpose for the donation.
- **Frequency of Contribution:** A review to verify whether any Redflex employee or director has provided repeat contributions to a particular recipient. If contributions have been made in the past, the request to make a contribution must address the pattern of donations to the particular recipient.
- **Government Connection:** A review to verify that no recipient or intended beneficiary has any connection to a government contract decision-maker or any other Government Employee or Foreign Government Official (or their agent or spouse) capable of providing Redflex with any unfair competitive advantage or influence a regulatory approval; the charity was not suggested or referred by a government contract decision-maker or other Government Employee or Foreign Government Official; for sponsorships, members on an association's Board or Committees are not influential government officials that we currently do business with or intend to do business with.
- **Solicitation or Procurement Cycle :** A review to verify that the contribution was not suggested or requested by a government official Redflex is doing business with or intends to do business with. A review to verify that there is not an outstanding RFP or contract renewal cycle related to any government officials associated with the Charitable Organization or Trade Association.
- **Legal Opinion Required:** When necessary, a legal opinion shall be provided by a local lawyer confirming that the donation is lawful under the laws and regulations of the country, state or local Government in which the donation is intended to be made and that the recipient or intended beneficiary is a bona fide organization.
- **Foreign Contributions Strictly Prohibited:** Under no circumstances shall a Redflex employee or director make a political contribution to political parties or candidates in foreign countries even if the contribution is legal under the laws of the foreign country.
- **Books and Records:** A detailed and accurate description of the donation shall be recorded in the Redflex books and records.
- **Legal Confirmation:** A legal analysis analyzing the facts and circumstances and confirming the propriety of a particular contribution.

- **Commercial Intermediaries:** Commercial Intermediaries are expressly prohibited from offering or providing Charitable contributions or Political donations, by or on behalf of Redflex. No Redflex employee or director may approve a Commercial Intermediary's request to make a Charitable or Political contribution.

Results and Conclusions

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**Request Approved by**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

## FINANCIAL AND ACCOUNTING POLICIES AND PROCEDURES

### 1 PURPOSE

Redflex shall establish and maintain a system of internal controls that ensures that all transactions and dispositions of assets occur only with appropriate authorizations within set authorization limits as verified by the Finance Department, and that all such transactions are recorded fairly and accurately and in reasonable detail in Redflex's accounts, books and records. This requirement applies to all original documents (including invoices, receipts, and expense reports), regardless of the dollar amount involved in a particular transaction.

The recordkeeping requirements apply to all aspects of Redflex's business activities. The mischaracterization or omission of any transaction in Redflex's books and records, or the failure to maintain proper internal controls may result in significant liability for Redflex and the Redflex employees or directors that have caused the inaccurate books and records. Accordingly, no false or misleading entries may be made in Redflex's books or records. Employees and directors are prohibited from engaging in any arrangements that would result in such entries. No undisclosed or unrecorded funds or assets may be established.

All Redflex directors and employees with financial and accounting duties have an obligation to be alert to a possible violation of the following financial and accounting requirements and will report suspected violations to the Compliance Department. Failure to do so may result in severe disciplinary action.

#### 1.1 DUTY TO REPORT

All Redflex employees and directors are required to report any violations or potential violations of this procedure or the Applicable Anti-Bribery Laws to:

- **Redflex's confidential, anonymous HOTLINE on ADP Portal; or**
- **Redflex Compliance Department: [compliance@redflex.com](mailto:compliance@redflex.com)**

### 2 PROCESS FLOW FOR FINANCIAL AND ACCOUNTING PROCEDURES

**Internal Controls:** The Redflex directors and employees with financial and accounting duties shall maintain a system of internal financial and accounting controls sufficient to provide Redflex reasonable assurance that (1) all transactions are authorized in accordance with Redflex management's specific authorization, (2) all transactions are recorded in a manner that allows the proper preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") or generally accepted accounting principles ("GAAP"), as applicable and maintains accountability for assets, (3) access to assets is limited and permitted only with the appropriate authorization, and (4) existing assets are compared with recorded balances, and appropriate action is taken with respect to any differences.

**Redflex Policy:** Redflex directors and employees must also strictly adhere to the following guidelines:

- **Fair and Accurate Recording:** All cash, bank accounts, investments and other assets of Redflex must always be recorded fairly and accurately in Redflex's official books and records and in accordance with IFRS or GAAP as applicable.

- **Verification:** Prior to paying or authorizing a payment, responsible employees shall verify that no part of such payment is to be made for any purpose other than that which is fully and accurately described in Redflex's books and records.
  - **Opening Bank Accounts:** Bank accounts shall be opened or closed only upon the prior written approval of the Chief Financial Officer. Undisclosed, unreported or anonymous (e.g., "numbered") accounts are not permitted.
  - **Account Verification:** Payments shall not be made to anonymous bank accounts or other accounts not in the name of the payee or of an entity known to be controlled by the payee.
  - **Cash prohibited:** Payments will not be made in cash. Checks will not be drawn to the order of "cash," "bearer," or similar designations.
  - **No False or Misleading Entries:** False or misleading entries in Redflex books and records are strictly prohibited, such as: (1) false invoices, over-invoices or other misleading documentation; (2) false entities, sales, purchases, services, loans or financial arrangements, (3) failing to record transactions (off-book accounts/slush funds), (4) submitting false or inaccurate expense reports, (5) creating records that mischaracterize the true nature of a transaction or recipient of payment, (6) vague or non-specific descriptions for payments made in entries, (7) payment descriptions that do not correspond to the appropriate account, (8) Gift or Hospitality expense forms with incomplete information.
  - **Personal Funds:** An employee or director's personal funds shall not be used to accomplish what is otherwise prohibited by this Policy.
  - **Check Requests:** Check requests will be in writing and contain a complete explanation of the purpose *and* authority for the payment. The explanation will accompany all documents submitted in the course of the issuing process. The explanation must be kept on file at the paying location.
  - **Commercial Intermediary Expense Reimbursement and Invoices:** **A)** No expenses relating to Government business will be reimbursed to Commercial Intermediaries assisting Redflex in obtaining or retaining such business unless such expenses (1) comply with Redflex anti-bribery policies and procedures, (2) are supported by reasonable written documentation including, but not limited to, itemized receipts, and (3) have received the prior, written approval of the Compliance Department. **B)** No Monthly Invoice will be paid without itemized invoice detail of work performed in the period (i.e. detailed work log supporting the monthly fee).
- No payment to any Commercial Intermediary will be made outside of the country in which the Commercial Intermediary is incorporated, resides or provides services.
- **Duty to Report:** Any officer, director or employee who suspects the possibility that a bribe, kickback or over-invoice is associated with a particular receipt or that an understanding exists that all or a portion of a receipt will be paid in contravention of the laws of any jurisdiction, will immediately report that suspicion to:
    - **Redflex's confidential, anonymous HOTLINE on ADP Portal; or**
    - **Redflex Compliance Department: [compliance@redflex.com](mailto:compliance@redflex.com)**

### 3 AUTHORIZATION AND CHANGE HISTORY

#### Authorization

This document is authorized by:

Name:	Risk and Compliance Committee Chairman
Title:	
Approval Date:	August 2016

#### Change History Log

Date	Ver. #	Change Description	Author
4/27/2012	1	Initial Draft	Director of Internal Audit
11/5/2012	2	Various wording updates	Assistant General Counsel
3/29/2013	3	Changed General Counsel's office to Compliance Department for Duty to Report and all independent review and approvals	Director of Compliance
8/31/2015	4	Updated Commercial Intermediary Invoice requirement to include itemized work details. This relates particularly to Sales Consultants and Lobbyists and is consistent with Legal invoices.	Director of Compliance