

# EMPLOYEE CODE OF CONDUCT AND ETHICS

## 1. POLICY STATEMENT

- (a) Redflex Holdings Limited and its subsidiaries (Redflex) are committed to the highest standards of ethical and professional conduct. This Code of Business Conduct and Ethics provides guidance on the standards of behaviour expected when performing your role, how to uphold these standards, how to recognize and deal with ethical issues, and the mechanisms to report unethical conduct.
- (b) This Code consists of standards of business practice as well as professional and personal conduct. Such standards require candour and honesty in our activities, including the observance of the spirit and letter of the law.
- (c) This Code applies to all Redflex business activities and to everyone who works at Redflex regardless of location or role, including all employees, directors, officers, agents and contractors undertaking work for Redflex. In this Code, the term 'employee' is used to refer to all those who must follow the Code.
- (d) Individuals who violate this Code of Business Conduct and Ethics may be subject to disciplinary action, up to and including termination.

## 2. OVERRIDING PRINCIPLES

### Respect for the law

- (a) Employees must respect the laws, customs and business practices of the countries in which Redflex operates.

### Mutual respect and dignity

- (b) Redflex and employees recognise the value of a workplace that tolerates differences and diversity of skills, knowledge and ability. We maintain a safe work environment.

### Integrity

- (c) Employees must be honest and fair in all dealings. All transactions must be documented accurately to reflect the facts and/or honest evaluations.
- (d) The basic principles that should guide all activities with colleagues, with customers and business partners, and with all other third parties are:
  - (i) good judgement;
  - (ii) personal honesty; and
  - (iii) sound business ethics.
- (e) Duties should be carried out in a conscientious, responsible and professional manner. Employees should act in a manner that merits public trust and confidence.



- (f) Private personal interests should not conflict with obligations to Redflex. Benefits such as gifts or entertainment should not be offered or accepted without referencing the Anti-Bribery and Anti-Corruption Policies and Procedures.
- (g) Redflex's assets, such as money, equipment or other property should only be used for Redflex business purposes.
- (h) Employee should not, nor encourage others to, buy or sell Redflex securities on the basis of information that is not already in the public domain. (Insider trading is against the law.)
- (i) Confidential information about customers, suppliers or other business associates should not be disclosed except with their permission, nor used to gain private advantage. The confidentiality of Redflex information should also be maintained except in specific cases where an approved non-disclosure agreement has been signed.

### **3. COMPLIANCE WITH LAWS**

- (a) Redflex is committed to conducting its business in accordance with its legal and regulatory obligations throughout the world, including relevant codes of practice. Redflex expects employees to understand and comply with the laws, rules, and regulations that apply to you as an ordinary person, as a Redflex employee, or contractor (including laws related to privacy, equal opportunity, occupational health and safety) and to your specific job and the location in which you work.
- (b) Most countries have laws and regulations that affect the movement of goods, services across national borders. If you do business in or sell to overseas jurisdictions, then you are subject to the laws and regulations in those jurisdictions. Laws restricting or banning trade or imposing economic sanctions may apply to (among other things):
  - (i) exports to a particular country;
  - (ii) imports, or dealings in property originating, from a sanctioned country;
  - (iii) transactions with governments, entities or individuals that are the targets of economic sanctions; and
  - (iv) travel or transportation to, from or through a sanctioned country.
- (c) The laws that govern Redflex activities may be complex, but ignorance is not an excuse for non-compliance with those laws. If a law conflicts with a policy in this Code of Business Conduct and Ethics, you must comply with the law. If a Redflex employee is unsure in this regard they must seek assistance from their manager or a Redflex legal advisor/General Counsel. Customers, suppliers, or agents should seek their own advice.

### **4. DISCRIMINATION AND HARASSMENT**

- (a) Employment, development opportunities and promotion at Redflex are offered and provided on merit. Employment decisions are based on attributes that are related to job performance and unlawful discrimination is prohibited. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind.

- (b) In countries where there are legal obligations designed to address historical issues of inequality and employment imbalance or similar issues, then local managers are to provide clear instructions to employees on how to apply the policy.

## 5. HEALTH AND SAFETY

- (a) Redflex is committed to its responsibilities of providing a safe and healthy workplace for all employees and visitors in accordance with legal requirements. Violence and threatening behaviour are not permitted. To achieve and maintain this standard, employees will:
  - (i) observe health and safety practices and procedures of the workplaces in which they operate;
  - (ii) comply with relevant laws, regulations, licences and registrations;
  - (iii) comply with any standard that has been determined by management;
  - (iv) take reasonable care of their own and others' health and safety; and
  - (v) ensure customers, visitors and the general public are not endangered by the conduct of our businesses.
- (b) Contact the appropriate authority if you feel threatened or the performance of your duties is being impeded by others.
- (c) Employees must comply with the Business and Travel Expenses Policy applicable to their workplace. Before travelling, employees must comply with vaccination or other travel medicine recommendations (for example, anti-malarial tablets) and note the security risk rating of all planned destinations.

## 6. INFORMATION INTEGRITY

### Confidential information

- (a) The confidentiality of Redflex information must be maintained. Employees must protect Redflex's intellectual property carefully and never disclose it without management approval and then only under an approved written confidentiality agreement. An employee's obligation to maintain confidentiality continues after employment ends.
- (b) For RTS International, employees must report any leaks or suspected leaks of Redflex information to the Group General Counsel & Company Secretary. These disclosures must be forwarded to the Group General Counsel & Company Secretary for review. The Group General Counsel & Company Secretary will review each disclosure and determine if further actions are needed.
- (c) For RTS Americas, such matters should be reported to an employee's manager, the VP Finance, the CEO (RTS Americas), or Director of Compliance (RTS Americas). These disclosures must be forwarded to the Director of Compliance (RTS Americas) for review. The Director of Compliance will review each disclosure and determine if further actions are needed.

### **Accuracy in financial reporting**

- (d) Redflex will comply with all applicable accounting and financial reporting rules, laws and regulations in each jurisdiction in which we operate. All transactions must be properly authorised and accurately and completely recorded in the relevant accounts and records as required by law and Redflex requirements. Financial officers and others responsible for the accuracy of financial reports have an additional responsibility to ensure that adequate internal controls exist to achieve truthful, accurate, complete, consistent, timely and understandable financial and management reports. See further details in sections 14 and 15.

### **Accuracy in record-keeping**

- (e) Redflex requires honest and accurate recording and reporting of information. For example, only the actual number of hours worked should be reported and approved. Travel expenses reported on expense reports should be in accordance with the Business and Travel Expenses Policy.

### **Proper use of resources**

- (f) Employees have access to a wide range of Redflex information technology and systems to assist them in performing their jobs. Data, including electronic communications, created and/or stored on Redflex computers are Redflex records and therefore are Redflex property. Inappropriate material is not permitted to be stored on or accessed using Redflex resources. Employees must not use Redflex resources or their position at Redflex in pursuit of personal interests that violate the documents or any law or regulation.
- (g) Once created, data must be appropriately retained and disposed of according to relevant laws and standards as well as Redflex's own information management practices.

### **Respecting privacy**

- (h) Redflex will respect privacy and will only collect personal information in a lawful and fair manner. Such information will not be disclosed for any purpose other than the purpose for which it is collected.

### **No insider trading**

- (i) Employees may learn of information about Redflex or other companies that Redflex deals with i.e. supplier or a competitor, before that information is made public.
- (j) Using this inside information for personal and/or financial benefit or giving this information to others may be illegal. If you possess inside knowledge, you should not advise or encourage another person (for example, a family member, or a friend) to trade in the relevant shares or give the information to another person if you know, or ought to know, that they may use the information to deal in shares.
- (k) Examples of possible inside information include:
  - (i) the financial performance of Redflex against its budget or forecasts;
  - (ii) entry into or termination of a significant contract; and

- (iii) actual or proposed mergers, acquisitions, or joint ventures.
- (l) Employees must make themselves aware of Redflex Policy for Dealing in Redflex Securities which is published on [www.redflex.com](http://www.redflex.com).
- (m) It may also be a breach of your obligations of confidentiality to disclose information, irrespective of whether the person to whom you disclose it uses it for gain.
- (n) Employees should seek advice from the Company Secretary, the CEO or the CFO if they are considering a transaction in shares and have any doubts about whether that transaction is proper. Further, if an employee thinks they have disclosed material information that has not been disclosed to the public and that may affect the price of Redflex shares, they must immediately report it to the Company Secretary, the CEO or the CFO.

## 7. PROTECTING REDFLEX'S REPUTATION

Employees must not act in any way that could cause harm to Redflex's reputation during or after their employment. We all have a duty to act in all matters in a way that merits the trust and confidence of the public.

## 8. CONFLICTS OF INTEREST

- (a) A conflict of interest exists when an individual's personal interests conflict with or interfere with the interests of Redflex. A conflict situation may arise when an employee takes actions that impact the objectivity of his/her job performance. Employees must avoid all circumstances that could produce conflicts between personal interests and those of Redflex. Conflicts of interest may also arise from giving or receiving improper personal benefits, including gifts or hospitality.
- (b) It would be a conflict of interest for an employee to work simultaneously for a competitor, customer, or supplier. This prohibition on employment includes serving as an advisor or consultant unless the activity is conducted as a designated representative of the Company. The best practice is to avoid any direct or indirect business connection with Redflex's customers, suppliers, or competitors. No employee may use Redflex property, information, or position for improper personal gain.
- (c) Redflex's Board of Directors should disclose any conflicts of interest they may have with fellow board members or outside legal counsel. They should abstain from any deliberation or decision in which there may be a conflict between their personal interests and the interests of Redflex.
- (d) Employees must disclose any financial interest they or their immediate family have in any firm that does business with the Company or that competes with the Company. The Company may require divestiture of the interest if it considers the financial interest to be in conflict with its best interests.

### Procedures for Disclosure of all Conflicts of Interest

- (e) For RTS International, if an employee becomes aware of a conflict of interest, a potential conflict of interest, or is uncertain of particular circumstances, they should bring these matters to the attention of their manager, or the Group General Counsel & Company Secretary. All of these disclosures must be done in writing and should be forwarded to the Group General Counsel & Company Secretary. The



Group General Counsel & Company Secretary will review all disclosures and determine if any further actions are needed. The written disclosures and conclusions will be maintained in employee personnel files.

- (f) For RTS Americas, such conflict matters should be brought to the attention of an employee's manager, the CEO (RTS Americas), the VP Finance, or Director of Compliance (RTS Americas). All of these disclosures must be done in writing and should be forwarded to the Director of Compliance (RTS Americas). The Director of Compliance (RTS Americas) will review all disclosures and determine if any further actions are needed. The written disclosures and conclusions will be maintained in employee personnel files.

## 9. COMPETITION AND FAIR DEALING

- (a) Each employee should respect the rights of and deal fairly with Redflex's customers, suppliers, and competitors. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair practice.
- (b) Employees must fully understand and comply with Redflex's Anti-Bribery and Anti-Corruption Policy and Procedures published on [www.redflex.com](http://www.redflex.com) and accessible on the Intranet or the ADP Portal.
- (c) Any gift or hospitality to an interested person (see definition of 'interested person' in the Anti-Bribery and Anti-Corruption Policy and Procedures) must be in compliance with the Anti-Bribery and Anti-Corruption Policy and Procedures. An offer and/or acceptance of a gift or hospitality must be ethical and legal and cannot reasonably be interpreted as an attempt to obtain or retain an improper business advantage for Redflex, or may otherwise reflect negatively on the reputation of Redflex or the recipient. Any gift or hospitality provided to an interested person must be done openly, transparently, must be recorded fairly and accurately, and must be processed in accordance with the policy and procedures.
- (d) Employees must not request, agree to receive, accept or make bribes, pay-offs, kick-backs or offer any illegitimate payment or benefit. Bribes, pay-offs, kick-backs or illegitimate payments or benefits occur when a person offers, makes, authorises, requests or accepts payment of money or anything of value (either directly or indirectly) to:
  - (i) illegally influence the judgment or conduct or ensure a desired outcome from a customer or supplier;
  - (ii) influence a decision of, or gain a benefit from, any government official, political party or political candidate; or
  - (iii) gain an improper advantage.

## 10. EXPORT CONTROLS

- (a) Redflex requires compliance with laws and regulations governing export controls in the countries where Redflex conducts its business. A number of countries maintain controls on the destinations to which products may be exported. Some of the strictest export controls are maintained by the United States against countries that the U.S. government considers unfriendly or as supporting international terrorism. The U.S. regulations are complex and apply both to

exports from the United States and to exports of products from other countries, when those products contain U.S.-origin components or technology. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States may constitute an export subject to control.

- (b) Any questions about export control laws and regulations should be directed to Redflex's Chief Financial Officer or General Counsel.

## 11. PERSONAL CONDUCT

- (a) Employees must comply with all personnel policies contained in the Redflex Personnel/Employee Handbook. In addition, information and direction is provided in various job-related or area-related manuals, policies and procedures and in other publications that address conduct.
- (b) At management's or the board's discretion, violations of any policy or any conduct considered inappropriate or unsatisfactory may lead to disciplinary action up to and including termination. Questions about this policy should be directed to your manager or to Human Resources.

## 12. REPORTING ILLEGAL OR UNETHICAL BEHAVIOUR

- (a) Each employee is expected to report what he or she believes in good faith are actual or potential violations of this Code of Business Conduct and Ethics by any employee. Senior management is responsible for enforcement of this Code relating to employees. The Chairman of the Risk & Compliance Committee is generally responsible for enforcement of this Code relating to directors. Compliance with this Code will be monitored on an ongoing basis.
- (b) If you have any queries/questions regarding the Code, you should raise them with your manager, Human Resources, Director of Compliance (RTS Americas), the Group General Counsel & Company Secretary, the Group Chief Financial Officer, the VP Finance (RTS Americas), the Group CEO or the CEO (RTS Americas). Retaliation is not allowed for reports of misconduct. Employees are expected to cooperate in internal investigations of misconduct.
  - (i) Suspected breaches of the Code of Business Conduct and Ethics should be reported to either:
  - (ii) Your manager, the Director of Compliance (RTS Americas), the Group Chief Financial Officer, the VP Finance (RTS Americas), the Group General Counsel & Company Secretary, the Group CEO, the CEO (RTS Americas) or the Chairman of the Risk & Compliance Committee, or
  - (iii) Redflex' Whistle blower Hotline – Access via Intranet or ADP Portal, or
  - (iv) Redflex's [compliance@redflex.com](mailto:compliance@redflex.com) email address.
- (c) Any incident reported will be investigated confidentially, professionally, thoroughly, appropriately and with adequate oversight, review and monitoring.

## 13. COMPLIANCE GUIDELINES

Employees must work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since every



situation that will arise cannot be anticipated, it is important that there is a process to approach a new question or problem. These are the steps to keep in mind:

- (a) Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- (b) Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- (c) Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- (d) Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- (e) Seek help from Redflex resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it with the Human Resources, Director of Compliance (RTS Americas), the Group General Counsel & Company Secretary, the Group Chief Financial Officer, the VP Finance (RTS Americas), the Group CEO or the CEO (RTS Americas).
- (f) You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. Redflex does not permit retaliation of any kind against employees, officers or directors for good faith reports of ethical violations.
- (g) Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

**14. FINANCIAL MANAGEMENT CODE OF ETHICS: SPECIAL ETHICS OBLIGATIONS FOR EMPLOYEES WITH ACCOUNTING, FINANCIAL AND GENERAL REPORTING RESPONSIBILITIES**

- (a) As Redflex is a publicly owned company, it is of critical importance that financial reporting contain full, fair, accurate, timely, and understandable disclosure. Depending on an employee's position within Redflex, they may be called upon to provide information within their respective areas of responsibility and for the timely notification of significant transactions, trends and other financial or non-financial information that may be material to Redflex's public reports. Employees are also responsible for timely reports of other information that could have a significant impact on Redflex's business, financial condition or results of operations.
- (b) The Finance Department bears a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside of Redflex. The Chief Executive Officer and all accounting and finance personnel have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout the company as a whole that ensures the fair and timely reporting of Redflex's operating results and financial condition.



- (c) Because of this special role, the Chief Executive Officer and all accounting and finance personnel, including the Chief Financial Officer and the Corporate Controller, are bound by the following Financial Management Code of Ethics, and each agrees that he or she will:
  - (i) Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
  - (ii) Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Redflex files with, or submits to, government agencies and in other public communications.
  - (iii) Comply with rules and regulations of the federal government, the cities, states and countries in which we conduct business, and other appropriate private and public regulatory agencies.
  - (iv) Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
  - (v) Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose such information. Confidential information acquired in the course of one's work will not be used for personal advantage.
  - (vi) Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community.
  - (vii) Achieve responsible use of and control over all assets and resources employed by Redflex.
  - (viii) Promptly report to the Group General; Counsel & Company Secretary (RTS International), Director of Compliance (RTS Americas), or Chairman of the Risk & Compliance Committee any conduct that the individual believes to be a violation of law or business ethics or of any provision of the Financial Management Code of Ethics, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

**15. EMPLOYEE COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING MATTERS**

- (a) Any employee may submit a good faith complaint regarding accounting or auditing matters to Redflex without fear of dismissal or retaliation of any kind. Redflex is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. Redflex' Risk & Compliance Committee will oversee treatment of employee concerns in this area.
- (b) In order to facilitate the reporting of employee complaints, Redflex' Risk & Compliance Committee has established the following procedures for (1) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters (referred to herein as "Accounting and



Auditing Matters”) and (2) the confidential, anonymous submission by employees of concerns regarding questionable Accounting and Auditing Matters.

### **Scope of Matters Covered by These Procedures**

- (c) These procedures relate to employee complaints regarding any questionable Accounting and Auditing Matters, including, without limitation, the following:
  - (i) fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of Redflex;
  - (ii) fraud or deliberate error in the recording and maintaining of financial records of Redflex;
  - (iii) deficiencies in or noncompliance with Redflex’s internal accounting controls;
  - (iv) misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of Redflex;
  - (v) deviation from full and fair reporting of Redflex’s financial condition; or
  - (vi) violations or possible violations of the Financial Management Code of Ethics set forth above.

### **Reporting Employee Complaints on Accounting and Auditing Matters**

- (d) Employees with concerns regarding Accounting and Auditing Matters can report their concerns on a confidential basis to the Group General Counsel & Company Secretary (RTS International), Director of Compliance (RTS Americas) or Whistle blower Hotline – refer to the Whistle blower Policy and Procedures published on [www.redflex.com](http://www.redflex.com). Access to the Hotline is provided via the Intranet or ADP Portal.

### **Treatment of Complaints**

- (e) Upon receipt of a complaint through the Whistleblower Hotline, the Chairman of the Risk & Compliance Committee will:
  - (i) determine whether the complaint actually pertains to Accounting and Auditing Matters, and
  - (ii) when possible, acknowledge receipt of the complaint to the sender.
- (f) Complaints relating to Accounting and Auditing Matters will be reviewed under Risk & Compliance Committee direction or by such other persons as the Risk & Compliance Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.
- (g) Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Risk & Compliance Committee.



- (h) The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate or retaliate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting and Auditing Matters.

**Reporting and Retention of Complaints and Investigations**

- (i) A log of all complaints, tracking their receipt, investigation and resolution will be maintained, and periodic summary reporting will be forwarded to the Redflex Holdings Limited Board of Directors.

**16. VIOLATIONS**

If a Code of Business Conduct and Ethics violation is confirmed, appropriate corrective and disciplinary action will be taken, which may include one or more of the following as applicable: (a) counselling; (b) verbal warning ;(c) written warning for employee file; (d) probation or suspension; (e) change in job responsibilities or manager ;(f) termination of employment; (g) removal as a director; (h) reimbursement to Redflex for losses resulting from the violation or (i) criminal prosecution or civil action.

**CHANGE HISTORY**

**Change History Log**

Version	Description	Date
1.0	Initial Version	29 May 2015
2.0	Annual Review	26 May 2016