

CONTINUOUS DISCLOSURE POLICY

Approved 25 February 2016

1. INTRODUCTION

- (a) Redflex Holdings Limited (**Company**) is committed to complying with its continuous disclosure obligations under the Australian Securities Exchange (**ASX**) Listing Rules 3.1 and 3.1A and section 674 of the *Corporations Act 2001* (Cth) (**Corporations Act**). This is to ensure that trading in the Company's securities takes place in a market which is orderly and informed and which is not, or is not likely to be, false.
- (b) This Policy is designed to assist the directors, officers, employees, contractors and consultants of the Company and its subsidiaries (**Redflex Group**) from time to time (**Personnel**) in understanding the Company's continuous disclosure obligations and to set out the procedures to be followed for disclosing information to the ASX, analysts, the media and the general public.
- (c) All Personnel are required to comply with this Policy and the Company's continuous disclosure obligations.

2. CONTINUOUS DISCLOSURE OBLIGATIONS

- (a) ASX Listing Rule 3.1 provides that:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

This type of information is referred to in this Policy as '**market sensitive information**'.
- (b) The requirement to disclose market sensitive information to the ASX 'immediately' means that the Company must disclose the information "promptly and without delay". Subject to the exceptions in ASX Listing Rule 3.1A (see paragraph 3 below), once the Company becomes aware of market sensitive information, it must release an ASX announcement as quickly as it can in the circumstances (acting promptly) and must not defer, postpone or put it off to a later time (acting without delay).
- (c) Under the ASX Listing Rules, the Company will become 'aware' of information if, and as soon as, an officer of the Company has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of the Company.
- (d) The test for determining whether information is market sensitive information and therefore needs to be disclosed under ASX Listing Rule 3.1 is set out in section 677 of the Corporations Act. Under that section, a reasonable person is taken to expect information to have a material effect on the price or value of an entity's securities if the information 'would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of' those securities.

- (e) Information extends beyond pure matters of fact and includes matters of opinion and intention. It is not limited to information that is generated by, or sourced from within the Redflex Group, nor is it limited to information that is financial in character or that is measurable in financial terms. The Company must disclose all information 'concerning it' that it becomes aware of *from any source and of any character*, if a reasonable person would expect the information to have a material effect on the price or value of its securities.
- (f) A useful test for a person, who is faced with a decision on whether information needs to be disclosed to the ASX, may find it helpful to ask two questions:
- (i) *Would this information influence my decision to buy or sell the Company's securities at their current market price?*
 - (ii) *Would I feel exposed to an action for insider trading if I were to buy or sell the Company's securities at their current market price, knowing this information had not been disclosed to the market?*

If the answer to either question is 'yes', then that should be taken to be a cautionary indication that the information may well be market sensitive and, if it does not fall within the exception set out in ASX Listing Rule 3.1A (see paragraph 3 below), it may need to be disclosed to the ASX under ASX Listing Rule 3.1.

- (g) Subject to the exceptions set out in ASX Listing Rule 3.1A, the following are examples of the type of information that could be market sensitive information in respect of the Redflex Group:
- (i) a material change in its financial forecasts or expected results;
 - (ii) the fact that its earnings will be materially different from market expectations;
 - (iii) a recommendation or declaration by the Company of a dividend or a distribution or that a dividend or distribution will not be declared;
 - (iv) a transaction that will lead to a significant change in the nature or scale of its activities;
 - (v) it giving or receiving a notice of intention to make a takeover;
 - (vi) the entry into, variation or termination of material agreements, including financing arrangements;
 - (vii) events triggering material accelerations of, or increases in, its financial obligations;
 - (viii) a material change in the accounting policy adopted by the Redflex Group;
 - (ix) a significant change in market or regulatory conditions which is likely to have a material effect on the Redflex Group's results;
 - (x) a material acquisition or disposal; or
 - (xi) it becoming a plaintiff or defendant in a material law suit.

The above examples are indicative only, and are not exhaustive.

- (h) An officer or employee of the Company who gives, or authorises or permits the giving of, materially false or misleading information to the ASX under ASX Listing Rule 3.1 (including in a response to any enquiry ASX may make of the Company under that Rule) may commit a criminal offence under section 1309 of the Corporations Act.

3. EXCEPTIONS TO DISCLOSURE OBLIGATION

- (a) There are exceptions to the requirement for disclosure contained in the ASX Listing Rules. Under ASX Listing Rule 3.1A disclosure of information to the ASX is not required under Listing Rule 3.1 while each of the following requirements is satisfied in relation to that information:
 - (i) One or more of the following five situations applies:
 - (A) it would be a breach of the law to disclose the information;
 - (B) the information concerns an incomplete proposal or negotiation;
 - (C) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (D) the information is generated for internal management purposes of the Company; or
 - (E) the information is a trade secret; and
 - (ii) The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
 - (iii) A reasonable person would not expect the information to be disclosed.
- (b) The Company must be satisfied that all of these circumstances exist before making a decision that information does not require disclosure to the ASX. The Company will usually seek independent legal advice, as appropriate, in this regard.
- (c) As soon as any one of the three conditions mentioned in paragraph 3(a) is no longer satisfied, the Company must immediately comply with its continuous disclosure obligation in respect of the relevant information. If the ASX forms the view that the information has ceased to be confidential, then such information will no longer be regarded as confidential and must be released to the market. The ASX may form this view, for example, where there is a rumour or comment that is reasonably specific and reasonably accurate or where there is a sudden and significant movement in the market price or traded volumes of the Company's securities that cannot be explained by other events or circumstances. This highlights the importance of maintaining the confidentiality of sensitive information.

4. PROCEDURE FOR DISCLOSURE

- (a) Any Personnel who becomes aware of 'market sensitive information' must refer that information to the Group Chief Executive Officer (**Group CEO**), the Group Chief Financial Officer (**Group CFO**) or the Group General Counsel and Company Secretary.
- (b) The Group CEO, Group CFO or Group General Counsel and Company Secretary (as applicable) will then verify the information, confirm whether or not the information is required to be disclosed and, where appropriate, seek independent legal advice.
- (c) If disclosure of information is required, the Group General Counsel and Company Secretary will prepare the necessary ASX announcement.
- (d) The Group CEO and/or Group CFO will review the announcement for clarity, accuracy, relevance and consistency. The Group General Counsel and Company Secretary will also use all reasonable endeavours to seek the input of the Chairman and the chair of the relevant board committee depending on the subject matter of the ASX announcement.
- (e) Once the ASX announcement has been prepared and reviewed, the Group General Counsel and Company Secretary will refer the ASX announcement to the board of directors of the Company (**Redflex Board**) for their approval (provided it is feasible to do so having regard to the Company's continuous disclosure obligations).
- (f) If the approval of the ASX announcement by the Redflex Board is not able to be obtained within a sufficient time period to ensure the announcement is made 'promptly and without delay', then in order to ensure compliance with the Company's continuous disclosure obligations:
 - (i) the Redflex Board has designated that at least two non-executive directors and the Group CEO are authorised to approve investor or analyst briefing materials or presentations and, subject to paragraph 4(f)(ii), an ASX announcement of a non-administrative nature; or
 - (ii) consideration must be given by the Group CEO, the Group CFO and/or Group General Counsel and Company Secretary, in conjunction with the authorisation of at least three available non-executive directors (including the Chairman, if available), as to whether the Company should request the ASX to place the Company in a trading halt (see paragraph 11 below).
- (g) After Redflex Board approval or after approval of the proposed ASX announcement is received under paragraph 4(f)(i) of this Policy, the Group General Counsel and Company Secretary will electronically lodge the announcement on the ASX company announcements platform.
- (h) After receiving an acknowledgement from the ASX that the information contained in the ASX announcement has been released to the market, the Group General Counsel and Company Secretary will arrange to post the announcement on the Company's website. All announcements of a non-administrative nature will also be distributed by email to persons who have elected to receive these Company communications.

- (i) All communications between the Company and the ASX and disclosure of information to the ASX will be managed by the Group General Counsel and Company Secretary or his or her delegate. No other employee is authorised to deal directly with the ASX on disclosure matters.

5. ANALYSTS BRIEFINGS

- (a) The Company believes that good and open relationships between the Company and its stakeholders are important and the Company endeavours to cultivate these relationships.
- (b) The authorised persons referred to in paragraph 10 of this Policy are authorised to conduct briefings for analysts in groups and individually, however, the following guidelines will be observed:
 - (i) no market sensitive information will be disclosed at such briefings unless it has previously been or is simultaneously released to the ASX;
 - (ii) questions that deal with 'market sensitive information' that has not previously been released to the ASX will not be answered;
 - (iii) if any 'market sensitive information' is inadvertently disclosed it will be released immediately to the ASX; and
 - (iv) all information given at a briefing, such as presentation slides, and any presentation material from public speeches given by Board members or members of management that relate to the Company or its business should also be given to the General Counsel and Company Secretary for immediate release to the ASX and posted on the Company's website. The information must always be released to the ASX before it is presented at an analyst briefing.

6. REVIEW OF ANALYST REPORTS

- (a) If requested, the Company may review analyst reports. The Company's policy is that it only reviews these reports to clarify historical information and correct factual inaccuracies (provided this can be achieved using information that has been disclosed to the market generally).
- (b) No comment or feedback will be provided on financial forecasts, including profit forecasts prepared by the analyst, or on conclusions or recommendations set out in the report. The Company communicates this policy whenever asked to review an analyst report.

7. MARKET SPECULATION AND RUMOURS

In general, the Company does not respond to market speculation and rumours except where:

- (a) the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in ASX Listing Rule 3.1A no longer applies;

- (b) the ASX formally requests disclosure by the Company on the matter (under ASX Listing Rule 3.1B); or
- (c) the Redflex Board considers that it is appropriate to make a disclosure in the circumstances.

Only the authorised persons referred to in paragraph 10 of this Policy may make statements on behalf of the Company in relation to market rumours or speculation. Any person within the Company should report market speculation or rumours to the General Counsel and Company Secretary immediately.

8. ELECTRONIC COMMUNICATIONS

Shareholders can elect (through the share registry) to receive their shareholder communications by electronic means. Interested parties can elect (through the Company's website) to receive copies of the Company's ASX announcements. The latter is a subscription service available to any interested person on www.redflex.com.au. At all times the Company will observe its obligations to protect confidentiality and privacy unless those protections conflict with its legal responsibility to disclose information.

9. WEBSITE

The Investor Relations section of the Company's website, www.redflex.com.au, contains the major policies and procedures, ASX announcements, and annual and half yearly financial reports of the Company. The Group General Counsel and Company Secretary will promptly update the website with all of the Company information that has been confirmed as having been released to the ASX.

10. AUTHORISED PERSONS

- (a) The following authorisations have been determined by the Redflex Board to assist with compliance with the Company's continuous disclosure obligations. The Group General Counsel and Company Secretary is authorised to:
 - (i) lodge with ASX material of an administrative nature, for example, Director's Interest Notices or an Appendix 3B, without referral to the Redflex Board; and
 - (ii) update the investor relations section of the Company's website www.redflex.com.au.
- (b) Persons authorised to speak on behalf of the Company, including conducting investor and analyst briefings, are the Chairman, the Group CEO and the Group CFO, or if they are not available, then another non-executive director. Any other person must have the prior approval of the Chairman or the Group CEO.

11. TRADING HALTS

In order to facilitate a market which is orderly and informed and not false, it may be necessary, in exceptional circumstances, for the Company to request a trading halt or suspension from the ASX. The Group CEO, the Group CFO and/or Group General Counsel and Company Secretary, in conjunction with the authorisation of at least three available non-executive directors (including the Chairman, if available) will make all decisions relating to

any need for a trading halt or suspension and any requests to the ASX for any such trading halt or suspension.

12. REPORTING TO THE BOARD

A summary of all continuous disclosures in the relevant period as well as all individual and group briefings (including by telephone) will be provided by the Group CEO, Group CFO or Group General Counsel and Company Secretary (as applicable) to the Redflex Board on a regular basis.

13. INVESTOR ENQUIRIES

- (a) Investors seeking information about their holdings in the Company should be directed to the Company's share registry or the Group General Counsel and Company Secretary.
- (b) Questions relating to the Company, the performance of the Redflex Group or other general investor enquiries should be directed to the Group CEO or Group CFO or via the Group General Counsel and Company Secretary (email holdings@redflex.com.au).
- (c) Any investor complaints will be managed by the Group General Counsel and Company Secretary. The Company will use all reasonable endeavours to respond to complaints within 5 business days after receipt.
- (d) Should any Personnel require further information regarding this Policy, they should contact the Group General Counsel and Company Secretary.

14. STAKEHOLDER COMMUNICATIONS

- (a) The Company informs shareholders, financiers, analysts and other stakeholders in a range of ways, including:
 - (i) by disclosures to the market via ASX announcements;
 - (ii) by briefings;
 - (iii) by providing a facility for distribution of ASX announcements via an ASX email distribution list;
 - (iv) in its Annual and Half-Year financial reports;
 - (v) in the Annual General Meeting (**AGM**) Notice of Meeting and explanatory memoranda;
 - (vi) at the AGM; and
 - (vii) the Company's website (www.redflex.com.au).
- (b) The Company will continually seek to identify additional ways to enhance communications with its stakeholders.

15. COMPLIANCE WITH THIS POLICY

Breaches of this Policy will be treated seriously and may lead to disciplinary action against offending Personnel, which may include termination of employment or engagement. If a breach is committed by a director, the director may be asked to resign. Personnel should report breaches of this Policy by any person to the Group General Counsel and Company Secretary.

16. REVIEW OF POLICY

- (a) The Redflex Board will review this Policy at least annually to ensure that it complies with applicable legal requirements and remains relevant and effective.
- (b) This Policy is not intended to be contractual in nature.
- (c) The Redflex Board may change this Policy at any time.
- (d) Any changes to this Policy will be notified to affected persons in writing.

17. PUBLICATION

A copy of this Policy will be available in the Investor Relations / Corporate Governance section of the Company's website (www.redflex.com.au) or made available on request.