

WHISTLEBLOWER HOTLINE AND INCIDENT MANAGEMENT POLICY & PROCEDURES

Approved 12 May 2016

1. PURPOSE

The purpose of this document is to define the policy and procedures for managing and addressing incidents and potential issues that are:

- (a) Reported to the Whistleblower Hotline;
- (b) Reported directly to the Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) by employees or other third parties; and
- (c) Discovered directly by Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International).

2. SCOPE AND DEFINITIONS

- (a) This policy and procedure is designed to ensure that Whistleblower Hotline incidents, other incidents gathered from various sources or discovered directly by Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) are confidentially addressed in a timely manner and appropriate action is taken and reported to the Risk and Compliance Committee. This policy and procedures are intended to document the process to be followed by the Director of Compliance (RTS Americas), Group General Counsel and Company Secretary (RTS International) and the Risk and Compliance Committee Chairman.
- (b) In this policy and procedure:
 - (i) The “**Whistleblower Hotline**” is the website and phone number promoted by the Company as the confidential mechanism for reporting any whistleblower issues.
 - (ii) The “**Hotline Company**” is the third party provider engaged to confidentially receive and document Whistleblower Hotline incidents.
 - (iii) “**Incidents**” are reports to the Whistleblower Hotline, reports direct to the Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International), or discoveries of potential issues by the Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International).
 - (iv) “**Incident Tracking Summary Report**” is the log of Whistleblower Hotline reports or incidents derived from other sources.



3. POLICY STATEMENT

- (a) Redflex will conduct its business in an ethical and proper manner, in accordance with the company's values and Code of Business Conduct and Ethics, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, communities and among employees.
- (b) As part of Redflex's ethics program, a Whistleblower Hotline has been established. The Whistleblower Hotline is administered by the Hotline Company, who may confidentially receive and documents incidents from employees. This service is dedicated to protecting a reporter's anonymity and securing data with proper technical and procedural controls. These controls ensure that information remains safe and secure from improper access, loss, misuse, or destruction. The Whistleblower Hotline is available 24 hours a day and 7 days per week. All parties are encouraged to use the Whistleblower Hotline to report any concerns, some of which may be unethical conduct, theft, fraud, illegal activity as well as any other issues or questions.
- (c) Our Policy is to handle each incident:
 - (i) Confidentially;
 - (ii) Professionally;
 - (iii) Thoroughly;
 - (iv) Appropriately; and
 - (v) With adequate oversight, review and monitoring
- (d) Redflex is committed to managing and addressing all incidents in the utmost confidential and timely manner. Our policy is to ensure that there is adequate oversight with regard to each incident. To this end, documented incidents are forwarded confidentially and simultaneously to: the Risk and Compliance Committee Chairman, the Director of Compliance (RTS Americas) and the Group General Counsel and Company Secretary (RTS International). They will coordinate together to determine the best course of action. The resolution of each incident will be documented and forwarded to the Risk and Compliance Committee Chairman. A formal reporting of all whistleblower incidents and resolution will be prepared and forwarded to the Risk and Compliance Committee on a regular basis.
- (e) The process for handling incidents gathered from sources other than through the Whistleblower Hotline will be the same as the Whistleblower Hotline incident management process outlined in this procedure.

4. PROCESS FLOW FOR HANDLING WHISTLEBLOWER HOTLINE INCIDENTS

(a) Hotline Company Alerts Redflex That Incident Was Received

After an incident is received by the Hotline Company, the Hotline Company notifies the Risk and Compliance Committee Chairman, Director of Compliance (RTS



Americas), and Group General Counsel and Company Secretary (RTS International). This procedure ensures adequate oversight as several Redflex individuals are simultaneously notified when an incident is received by the Whistleblower Hotline.

(b) Update the Incident Tracking Summary Report

The Director of Compliance (RTS Americas) and the Group General Counsel and Company Secretary (RTS International) will update the Incident Tracking Summary Report with the details and status of each incident on an ongoing basis. This report will be provided to the Risk and Compliance Committee upon on a regular basis.

(c) Determine Appropriate Course of Action

For RTS Americas, the Director of Compliance and Risk and Compliance Committee Chairman discuss the incident and determine the appropriate course of investigation and action. Each incident will be handled on a case-by-case basis. For example:

- (i) If the matter is Human Resources (HR) /personnel related and deemed to be minor, the incident may be forwarded to the Redflex HR Director for investigation and resolution.
- (ii) If the matter is HR/personnel related and deemed to be material, it may be forwarded to the VP General Counsel or the Group General Counsel and Company Secretary for investigation and resolution.
- (iii) For other matters, the Director of Compliance (RTS Americas) may investigate.

For RTS International, the Group General Counsel and Company Secretary and Risk and Compliance Committee Chairman will discuss each incident and determine the appropriate course of action.

(d) Investigate Incidents

After the Risk and Compliance Committee Chairman approves of how a particular incident is to be treated, the investigation process begins.

The Director of Compliance (RTS Americas) or the Group General Counsel and Company Secretary (RTS International) will either investigate themselves or forward the incident to an agreed-upon party in a confidential manner. If the incident is forwarded to another party to investigate, the following should occur:

- (i) Discuss the investigation actions that should be performed by the party.
- (ii) Agree upon a deadline for completion and how the investigation should be documented and summarized.
- (iii) Follow-up with the party to ensure investigation is progressing and obtain the documented results timely.

(e) Document Investigation Actions and Results

Investigation actions and results should be documented in a detailed fashion on an ongoing basis as actions are completed. In addition, the Incident Tracking Summary Report should be updated with a summary of the actions and results. The Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) are responsible for ensuring that all actions and results are properly documented.

(f) Communicate with Chairman and Determine Conclusions

The Director of Compliance (RTS Americas) or the Group General Counsel and Company Secretary (RTS International) should discuss the status of each incident and related results of investigations with the Risk and Compliance Committee Chairman on an ongoing basis or at least bi-weekly. The written documentation of the investigation actions performed and results should also be forwarded to the Chairman for his review. Through these discussions, the following will be determined:

- (i) Further actions are necessary, or
- (ii) The investigation and actions are complete, or
- (iii) There is a violation of policy that needs to be addressed

The Director of Compliance (RTS Americas) or the Group General Counsel and Company Secretary (RTS International) will proceed with further actions if necessary. If the investigation is complete, the incident should be marked "Closed" on the Incident Tracking Summary Report. If there is a violation of policy, see 4(G) below.

(g) Determine Disciplinary Action(s) for Violation and Conclude with Violator

If it has been determined that there has been a violation of policy, the disciplinary action must be determined. The following range of discipline should be considered:

- (i) Verbal discussion
- (ii) Verbal discussion and written warning to personnel file
- (iii) Verbal discussion and written final warning to personnel file
- (iv) Verbal discussion + written final warning to personnel file + Suspension (with or without pay)
- (v) Termination

- (h)** The Risk and Compliance Chairman and Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) should discuss the violation and determine the appropriate discipline options from the range above. For example, it may be determined that an appropriate range of discipline for a particular violation is a suspension or termination.

- (i) The Director of Compliance (RTS Americas) or the Group General Counsel and Company Secretary (RTS International) will then discuss the discipline options with the CEO (RTS Americas) or Group CEO (RTS International), respectively. They are ultimately responsible for deciding which discipline option to administer.
- (j) Once the discipline option is chosen, the CEO (RTS Americas) or Group CEO (RTS International) will meet with the violator to discuss the violation and notify them of the disciplinary action
- (k) Once the violator has been notified, the incident should be marked "Closed" on the Incident Tracking Summary Report.

5. PROCESS FLOW FOR HANDLING INCIDENTS AND POTENTIAL VIOLATIONS GATHERED FROM SOURCES OUTSIDE OF THE WHISTLEBLOWER HOTLINE PROCESS

Incidents may be reported directly to the Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) by employees or other third parties. In addition, Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) may uncover a potential issue themselves. If an incident is gathered in one of these ways, the Director of Compliance (RTS Americas) or Group General Counsel and Company Secretary (RTS International) must immediately report it to the Risk and Compliance Committee Chairman. Notification can be made via phone or email.

FOR NEXT STEPS FOLLOW 4(B) TO 4(G) ABOVE

6. AUTHORIZATION AND CHANGE HISTORY

Authorization

This document is authorized by:

Redflex Name:	Risk and Compliance Committee Chairman
Version No. Approved:	5
Approval Date:	January 2016

Change History Log

Date	Ver. #	Change Description	Author
3/1/13	1	Initial Draft	Director of Compliance
4/12/13	2	Updated procedures to include Global CFO and specifically Audit Committee Chairman	Director of Compliance
10/15/13	3	Updated procedures given new hotline company	Director of Compliance



Date	Ver. #	Change Description	Author
2/27/2015	4	Updated references to Risk and Compliance Committee and Group General Counsel and Company Secretary. Added reporting procedure.	Director of Compliance
1/4/2016	5	Updated procedures to include incidents from sources outside of the hotline as well as violation management procedures. Clarified procedures in general to reflect current processes.	Director of Compliance