

# Toll Holdings Limited

## Ethical Conduct Policy

Adopted by the Board 30 June 2010  
ACN 006 592 089

### 1. Policy statement

- Toll Holdings Limited and its subsidiaries (**Toll**) are committed to high standards of integrity, honesty and accountability.
- We value ethical behaviour and act consistently with our beliefs and values.
- Our commitment to this is reflected in this Policy, which will provide you with clear guidance of the standards of behaviour expected of you when performing your role.
- This Policy applies to all Toll business activities and to everyone who works at Toll including officers, employees, agents and contractors undertaking work for Toll (together, **Toll Representative**). Each Toll Representative member should become familiar with this Policy.

### 2. Overriding principles

- Toll is committed to conducting its business in accordance with:
  - its legal and regulatory obligations; and
  - the highest standards of ethical behaviour.
- Toll strives to behave with integrity in all its dealings with customers, suppliers, employees, shareholders, government and the community.
- The basic principles that guide all our activities with each other, with our customers and business partners, and with all other third parties are:
  - good judgement;
  - personal honesty; and
  - sound business ethics.
- Toll Representatives must not act in any way that could cause harm to Toll's reputation or market position.
- Toll Representatives must not make or accept bribes, payoffs or kick-backs or offer illegitimate payments or benefits.
- Toll Representatives must ensure that neither they nor Toll are in any way compromised by a gift, prize or hospitality.
- Toll Representatives must avoid actual and apparent conflicts of interest.

When faced with making difficult ethical decisions, Toll Representatives should refer to the model for ethical decision making in Appendix 1.

### 3. Compliance with the law

Toll is committed to conducting its business in accordance with its legal and regulatory obligations, including relevant codes of practice. Compliance is integral to Toll's commitment to its employees, customers, shareholders and the community.

Toll expects you to know, understand and comply with the laws that apply to you as an ordinary person, as a Toll employee, agent or contractor (including privacy, equal employment, and occupational health and safety), to your specific job and in the location in which you work.

If you do business in global trade or with overseas jurisdictions you are also likely to be subject to the laws and regulations from outside your base jurisdiction.

The laws that govern our activities may be complex, but ignorance of the law does not excuse Toll or Toll Representatives from their obligation to comply with those laws.

It is also important to be aware that no-one can be directed to carry out an unlawful act and no one can justify an unlawful act by claiming to be acting under the direction of a manager.

All Toll Representatives are encouraged to ensure that their knowledge remains up to date and that they remain abreast of relevant legal and industry developments.

Toll Officers should seek advice from the **Company Secretary** or **Group GM Legal** if they are unclear about laws or regulations relating to their work

Toll Employees should seek advice from their manager or supervisor or a Toll legal advisor.

Agents or Contractors should seek advice from their own organisation or Toll Host.

Should you have any concerns with regard possible breaches of this policy, you may report them (and you can remain anonymous) to the Toll Hotline on +61 1800 330 398.

#### **4. Fair trading and dealing**

Toll aims to maintain the highest standard of ethical behaviour in conducting its business. It strives to behave with integrity in all its dealings with customers, suppliers, employees, shareholders, government and the community.

Toll Representatives are expected to perform their duties in a professional manner and act with honesty and objectivity, endeavouring at all times to enhance Toll's reputation and performance. Each of us must ensure that we, and those who report to us, deal fairly with Toll's regulators, suppliers, distributors, customers, competitors and employees.

You are encouraged to familiarise yourself with the legal requirements applying to fair trading and dealing, and to undertake training or attend seminars to develop and maintain your knowledge so that you can act in accordance with these requirements.

If you have a question on any fair trading and dealings, or wish to report a breach of any fair dealing requirements, please contact either your manager, supervisor Toll Host or Group GM Legal.

Any alleged breach can also be reported to the Toll Hotline on +61 1800 330 398.

#### **5. Protecting Toll's reputation**

Toll Representatives must not act in any way that could cause harm to Toll's reputation or market position during or after their employment.

Toll Representatives have a duty to act in all matters in a manner that merits the continued trust and confidence of the public.

#### **6. Bribes, pay-offs and kick-backs**

Toll Representatives must not make or accept bribes, pay-offs, kick-backs or offer illegitimate payments/benefits.

Bribes, pay-offs or kick-backs, or illegitimate payments/benefits occur when a person offers, makes, authorises, requests or accepts payment of money or anything of value (either directly or indirectly) to:

- illegally influence the judgement or conduct or ensure a desired outcome from a customer, supplier or competitor;
- influence a decision of, or gain a benefit from, any government official, political party or candidate for political office; or
- gain an improper advantage.

In several countries (such as UK & PRC) payments known as "facilitation payments" are illegal.

Toll conducts business in countries with many different laws, customs and business practices. As a minimum you are required to abide by the laws of host countries and must not engage in corrupt business practices or engage in any

practices which would breach this policy or may breach any applicable laws. You should be aware that both US and Australian laws may apply in jurisdictions other than the US and Australia. You are also encouraged to remain alert to information available publically with regard other country laws which may have an effect on activities in your host country.

## **7. Gifts, prizes and hospitality**

Toll Representatives should exercise particular caution in regard to any offers of value, including hospitality, entertainment and gifts when Toll is negotiating or considering contracts and they are in a position to influence (directly or indirectly) the outcome of a decision. It is important not to give any impression that there may be an improper connection between any gift or hospitality and business opportunities.

A golden rule is disclosure. Ensuring your manager/supervisor/Toll Host is aware of all gifts of any significance ensures transparency and avoids any suggestion of conflict of interest.

Toll Representatives must be cautious and objective in determining whether to, and if need be, seek approval from their manager/supervisor/Toll Host) participate in recreational activities, or accept corporate hospitality, provided by customers or suppliers.

Toll Representatives must ensure that Toll's practices in relation to inviting suppliers and customers to attend company-sponsored recreational activities are consistent with this approach.

Under no circumstances should you request a gift of any kind from a supplier, customer, or other party with whom Toll conducts business. In addition, you must not exchange gifts with representatives of Toll's competitors, since the provision or receipt of such gifts may create an actual or perceived conflict of interest.

## **8. Facilitation payments**

Toll discourages the making of facilitation payments, which are payments involving small sums to low-level government officials to obtain routine services to which Toll is otherwise legally entitled.

In some countries, the law contains an exception to allow the making of such payments, but in others (such as UK and PRC) it does not.

If you are asked to make a facilitation payment this can only be considered in exceptional circumstances and you must:

- act in accordance with the relevant laws of the country;
- promptly report the request to your supervisor or manager and
- only make the facilitation payment if your Divisional Director approves it.

Reports on facilitation payments must state:

- why the payment is required and considered to be unavoidable;
- the amount;
- date;
- purpose; and
- the recipient of the payment (name, job function and party (if applicable))
- all other requirements specified at law (which can be advised)

## **9. Conflicts of interest**

A conflict of interest exists where loyalties are divided. Toll Representatives must ensure that their official powers or position do not give rise to a real or apparent conflict of interest. Such circumstances could compromise or appear to compromise your ability to make impartial business decisions. If in any doubt you should disclose an issue to your manager/supervisor/Toll Host to ensure it can be adequately considered.

Examples of conflicts of interest include:

- engaging in outside employment in a business that competes with or is a customer of or supplier to Toll;
- serving as a director of another business that competes with Toll;

- holding interests or investments in a competitor, customer or supplier (although a passive shareholding does not give rise to a conflict of interest);
- giving or receiving gifts, prizes and hospitality inconsistent with this policy; or
- being in a position of influence regarding the employment conditions or performance assessment of a family member.

It is each Toll Representative member's responsibility to be aware of situations which may give rise to conflicts between their official duties and their personal interests and, where they do arise, to deal with them ethically.

Toll Representatives must at all times act in the best interests of Toll.

## 10. Definitions

**Definition** means

**Agent** Any party who is acting as an agent of Toll.

**Benefit** A Benefit includes hospitality, travel, accommodation, meals, gratuity, remuneration (other than salary), allowances, fees, subsidies, discounts, loans, consideration, free service, vouchers, gift certificates, privileges and entertainment, or any gift of valuable property, whether of a personal nature or otherwise including (but not limited to) money, display items, furniture or jewellery.

**Conflict of interest** A conflict of interest refers to a conflict between a private interest and official duty. It would include, being in a position to use knowledge, access resources or exercise influence, for improper purposes or private interests.

A real (or actual) conflict of interest exists when a reasonable person, in possession of the relevant facts, would conclude that a person's private interests will interfere, or are likely to interfere, with the proper performance of his or her duties. Some examples may be:

- you are in a position to authorise a contract for services when you have a direct or indirect interest in the contracted company; or
- providing private consultancy services in a field of work which is the same or in direct competition with your role at Toll.

An apparent conflict of interest exists when there is an appearance that a person's private interests may interfere with the proper performance of his or her duties although, in reality, this may not be the case. The old saying "justice must not only be done, but it must also be seen to be done" applies here.

One example may be where you are on a selection panel to impartially consider the merits of job applicants, one of whom is a very close friend of yours. Even if you are confident of not being affected by personal bias, there may be a strong perception by other applicants that you will give your friend preferential treatment.

**Contractor** A contractor includes a person who is employed by an organisation or entity that has been contracted or sub-contracted by Toll to provide a product, service, or consultancy advice. The contractor may be an individual or an organisation. Where the contractor is an organisation, a contractor includes any relevant officer, employee or sub-contractor of the organisation providing a product, service or consultancy advice to Toll.

**Employee** An employee is a person who is working under a contract of service with Toll.

**Fraud** Fraud is the intentional use of false representations or deception to avoid an obligation or gain an unjust advantage.

**Host** A host is the Toll employee who supervises the product/work/advice being provided by a contractor.

**Integrity** Integrity is acting honestly, and to be seen to be acting honestly, and in the interests of Toll.

**Definition****means**

Officer

- A director or company secretary of a Toll Group company.
- A person who makes or participates in making decisions that affect the whole, or a substantial part of the business of a Toll Group company.
- A person has the capacity to affect significantly a Toll Group company's financial standing.
- A person in accordance with whose instructions or wishes the directors of a Toll Group company are accustomed to act.

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Authorised by: Paul Little, CEO, Toll Holdings Limited

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