

Toll Holdings Limited

Nomination and Corporate Governance

Committee Charter

Adopted by the Board 23 May 2011
ACN 006 592 089

The Committee is established under the Constitution of Toll Holdings Limited.

1 Membership of the Committee

The Committee must consist of:

- a minimum of 3 members, inclusive of the Managing Director
- a majority of independent Directors; and
- an independent Director as Committee Chair.

The Board may appoint such additional Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Non committee members, including members of management may attend all or part of a meeting of the Committee at the invitation of the Committee Chair.

The Company Secretary must attend all Committee meetings as minute secretary.

2 Role and responsibilities

The responsibilities of the Committee are as follows:

- a) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chair and Managing Director, having regard to the objective that the Board comprise Directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender.
- b) Review and recommend to the Board the criteria for Board membership, including:
 - the necessary and desirable competencies of Board members; and
 - the time expected to be devoted by Non executive Directors in relation to the Company's affairs.
- c) Review and recommend to the Board membership of the Board, including:
 - making recommendations for the re election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
 - assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of executive Directors), in accordance with the policy outlined in section 3.
- d) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual Directors, including an assessment of whether each Director has devoted appropriate time to their duties, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- e) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- f) Review the Company's approach to corporate governance, having regard to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations, and establishing procedures to promote compliance, where considered necessary.
- g) Review the Code of Practice and Ethical Conduct Policy on a periodic basis, as well as procedures to promote compliance.
- h) Review the Board Charter and Continuous Disclosure Policy on a periodic basis, and recommend any amendments for Board consideration.
- i) Ensure that an effective Director induction process is in place and regularly review its effectiveness.
- j) Reviewing the Group's main corporate governance practices for completeness and accuracy

- k) Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and AASB requirements).
- l) Reviewing the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards.
- m) Preparing and recommending for approval by the Board, and overseeing the implementation of, a Board Diversity Policy. The Diversity Policy will amongst other things provide for measurable objectives to be set by the Board with a view to increasing the representation of women at Board and senior management levels.
- n) On an annual basis, reviewing the relative proportion of women and men in the workforce at all levels of the Group, and submitting a report to the Board outlining its findings.

3 Policy, procedure and disclosure of the selection and appointment of new Directors

3.1 Policy

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- the existing composition of the Board, having regard to the objective of achieving a Board comprising Directors from a diverse range of backgrounds;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and
- independence.

3.2 Procedure

- a) Detailed background information in relation to a potential candidate should be provided to all Directors.
- b) The identification of potential Director candidates may be assisted by the use of external search organisations as appropriate.

3.3 Disclosure

The Committee will report to the Board outlining the following details of the Board selection process with a view to including a summary in the annual report:

- the process by which candidates are identified and selected, including whether external search organisations are used;
- the steps taken to ensure that a diverse range of candidates are considered; and
- the factors taken into account in the selection process, including whether a board skills matrix is used to identify any 'gaps' in the skills and experience of the Directors on the Board.

4 Administrative matters

4.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet a minimum of twice a year.

4.2 Quorum

The quorum is at least 2 members, including at least an independent Director in attendance.

4.3 Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee at the member's advised address for service of notice (or such other pre notified interim address where relevant). However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

4.4 Meeting agenda

The Company Secretary, in conjunction with the Committee Chair, must prepare an agenda to be circulated to each Committee member and relevant invitees at least two full working days prior to each meeting of the Committee.

4.5 Chair

In the absence of the Committee Chair, the Committee members must elect one of their number as Committee Chair for that meeting. The Committee Chair does not have a casting vote.

Any matter for which there is a deadlock may be referred to the Board for its consideration by any Committee member.

4.6 Secretary

The Company Secretary will act as Secretary of the Committee and will attend all Committee meetings.

The Company Secretary will distribute a meeting timetable for each forthcoming calendar year.

4.7 Access to resources and independent advisers

The Committee is to have access to adequate internal and external resources. For example, the Committee may:

- seek the advice of the Company's auditors, solicitors or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require; and
- seek any information it requires from any officer or employee of the Group.

4.8 Attendance at meetings by internal specialists and external advisers

The Committee may invite other persons, such as internal specialists or external advisers, to attend meetings if considered appropriate by the Committee Chair.

4.9 Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, be circulated to members of the Board or presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director.

4.10 Reporting

The Committee Chair will report the findings and recommendations of the Committee to the Board following each meeting of the Committee.

The Committee Chair will also, if requested, provide a brief oral report as to any material matters arising out of Committee meetings. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

The Committee must approve the details to be published in the Company's Annual Report or any other statutory report with respect to the activities and responsibilities of the Committee.

5 Review

The Board will, at least once in each year, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.