

Toll Holdings Limited

Remuneration and Executive Succession Planning Committee Charter

Adopted by the Board 25 August 2010
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:

- only Non-executive Directors;
- a minimum of 3 members;
- a majority of independent Directors; and
- an independent Director as 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. Roles and responsibilities

The responsibilities of the Committee are as follows:

- Review and recommend arrangements for the executive Directors including contract terms, annual remuneration and participation in the Company's short and long term incentive plans.
- Review and recommend arrangements for executives reporting to the Managing Director, including contract terms, annual remuneration and participation in the Company's short and long term incentive plans.
- Where requested by the Board, review and recommend remuneration arrangements for other senior management including contract terms annual remuneration and participation in the Company's short and long term incentive plans.
- Review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management.
- Review major changes and developments in the remuneration framework, superannuation arrangements, personnel practices and industrial relations strategies for the Group.
- Review and monitor executive succession planning.
- Review the senior management performance assessment processes and results as they reflect the capability of management to realise the business strategy.
- Review and approve short term incentive strategy, performance targets and bonus payment guidelines.
- Review and recommend to the Board material changes and developments to the Company's employee equity incentive plans.
- Recommend whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year.
- In respect of the Company's employee equity incentive plans (including share, option, rights and non equity unit plans) in place from time to time:
 - review and determine the performance hurdles applicable to the executive Directors, the executives reporting to the Managing Director and senior management;
 - review and approve the proposed terms of, and authorise the making of, offers to eligible employees of the Company/Group, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
 - review and approve, within the parameters of the plans, amendments to the terms of existing plans;

- review and approve the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Company/Group; and
 - administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- l) Review and recommend to the Board the remuneration arrangements for the Chair and the Non executive Directors of the Board, including fees, travel and other benefits.
 - m) Be satisfied that the Board and management have available to them sufficient information and external advice to ensure informed decision making regarding remuneration.
 - n) Review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report.
 - o) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.
 - p) Where the Company is required to by legislation or by a regulator, review and make recommendations to the Board on remuneration by gender and recommend strategies or changes to address any identified pay gap.

3. Remuneration policy

- c) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
 - to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;
 - to attract and retain skilled executives;
 - to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
 - to ensure any termination benefits are justified and appropriate.
- d) In the discharge of the Committee's responsibilities, no executive should be directly involved in determining their own remuneration.
- e) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- f) The Committee Chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

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. The Managing Director is to be given notice of the meetings and is to attend the meetings as an invitee unless otherwise directed by the Committee Chair.

4.2 Quorum

The quorum is at least 2 members including at least one 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, but 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 Chair for that meeting. The 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 Chair of the Committee.

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.