

# Toll Holdings Limited

## Securities Trading Policy

Adopted by the Board 25 August 2010  
ACN 006 592 089

### Introduction

This policy provides guidance to Directors and Senior Executives and other employees of Toll and its subsidiaries regarding dealing in Toll securities, or entering into transactions in products which operate to limit the economic risk of holding Toll securities.

It has three sections:

- The first section summarises the insider trading provisions of the Corporations Act and applies to all employees.
- The second section sets out Toll's policy about dealing in Toll securities and risk limiting products by Directors and Senior Executives of Toll and its subsidiaries.
- The third section sets out Toll's policy about dealing in Toll securities by other employees (other than Directors and Senior Executives).

The policy applies to all Toll "securities", which includes shares (eg. ordinary shares and reset preference shares), options, rights, convertible notes, derivatives and any other financial product able to be traded on ASX or another stock exchange, whether or not such securities are created by Toll or issued or created by third parties. The policy may also apply where Toll securities are proposed to be used as security for or are directly associated with a proposed transaction (e.g. Margin Lending or Collars). Where this is the case, the proposed transaction should be discussed with the Company Secretary **in advance**, to determine whether it is covered by this policy.

For the purposes of this policy, Senior Executives are those executives who are Executive Directors, Divisional Directors, and first level reports to those positions who are participants in the company's Senior Executive Option and Rights Plan (SEORP). In addition, the policy provisions for Senior Executives will apply to any other employee as determined by the Chairman and/or the Managing Director/CEO from time to time and so notified in writing by the Company Secretary - see Section 3.

### 1. Insider Trading

#### The Corporations Act prohibition

If you possess information and know, or ought reasonably to know, that:

- the information is not generally available to the market; and
- if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Toll securities ("**inside information**"),

you **MUST NOT**:

- *apply for, buy or sell* Toll securities or enter in an agreement to do any of those things;
- *procure* another person to apply for, buy or sell Toll securities or enter into an agreement to do any of those things; or
- *communicate* the information to another person if you know, or ought reasonably know, that the other person would or would be likely to apply for, buy or sell Toll securities or procure a third person to do any of those things.

The prohibition against insider trading under the Corporations Act also applies to price sensitive information relating to other companies which a person might become aware of, including as a consequence of their role with Toll.

### When would information have a material effect on the price or value?

Information is likely to have a material effect on the price or value of Toll securities if it would, or would be likely to, influence investors to buy or sell Toll securities.

Some examples of information which could be "inside information" are:

- profit forecasts;
- proposed issues of securities;
- borrowings or funding decisions;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- new products/services and/or technology;
- proposed dividends;
- management restructuring; and
- significant new contracts/customers.

### Penalties

If a person contravenes the insider trading provisions of the Corporations Act, they will be liable to:

- substantial criminal penalties involving a fine, imprisonment, or both; and/or
- a substantial civil penalty order.

If a person contravenes the insider trading provisions, they may also be sued for damages by persons suffering loss as a consequence.

***Important:*** The guidelines for permissible trading in Toll securities set out in sections 2 and 3 below must be read subject to the insider trading provisions of the Corporations Act summarised above. Even if a "trading window" is "open", or if you have been given approval to trade, if you have inside information ***you must not apply for, buy or sell Toll securities, procure another person to do any of those things, or communicate the inside information to others.*** If in doubt, consult the Company Secretary.

## 2. Toll's Policy - Directors and Senior Executives

### Short term trading

Despite anything in this policy, **Directors and Senior Executives of Toll and its subsidiaries must not engage in short term trading of Toll securities.**

As a guide, the purchase of securities with a view to resale within a 12 month period and the sale of securities with a view to repurchase within a 12 month period would be considered to be transactions of a short term nature. However, the sale of shares immediately after they have been acquired through the conversion of a security (eg. exercise of an option under the company's SEORP) will not be regarded as short term trading. **If in doubt as to what constitutes short term trading, consult the Company Secretary.**

### Transactions which limit economic risk

This policy applies equally to Directors and Senior Executives engaging in transactions or arrangements in products which operate to limit the economic risk ("**risk limiting products**") in Toll securities held by a Director or Senior Executive e.g. Collars.

In the event that Directors or Senior Executives do enter into such transactions within a trading window (and in accordance with this policy), they must ensure that the nominated settlement procedures will not allow the trigger of a Toll security sale by the third party outside a trading window or in a blackout period (without the necessary approval) and where possible as a preference be settled by a cash exchange.

#### "Trading windows"

Subject to the insider trading provisions of the Corporations Act and the policy requirements set out below, the recommended times (in terms of avoiding suggestions of insider trading) for any Director or Senior Executive to deal in Toll securities or risk limiting products are:

- (a) during the 6-week period from (and including) the second business day (not including the day of the trigger event concerned) after the following trigger events:
  - date of Toll's annual general meeting;
  - release of the half-yearly results announcement to ASX;
  - release of the full year results announcement to ASX;
- (b) during any period determined by the Board and notified to Directors and Senior Executives following the release to ASX of price sensitive information which in the Board's opinion ensures the market is fully informed; and
- (c) the offer period specified under a disclosure document (e.g. a prospectus or product disclosure statement) released by Toll.

#### "Blackout periods"

Subject to the exceptions set out below, Directors and Senior Executives must not deal in Toll securities or risk limiting products during the following "blackout periods":

- (a) the period from the close of trading on 31 December each year until the commencement of the trading window on the second business day after the release of the half-yearly results announcement to ASX;
- (b) the period from the close of trading on 30 June each year until the commencement of the trading window on the second business day after the release of the full year results announcement to ASX;
- (c) the period starting 4 weeks before the AGM until the day after the AGM; and
- (d) any other period determined by the Board from time to time and notified to Directors and Senior Executives.

#### Prior notification and/or consent

Dealings in Toll securities or entering into transactions or arrangements in risk limiting products should be limited to the "trading windows" referred to above.

Should any Director or Senior Executive wish to conduct any dealings or enter into transactions **during a trading window**, prior written notification should be given to:

- in the case of a Director - of the Chairman of the Board or his delegate, and
- in the case of a Senior Executive - of the Managing Director (or his nominee, the Company Secretary).

**Outside a trading window**, a Director or Senior Executive must not transact in Toll securities or engage in transactions or arrangements in risk limiting products without the prior written consent:

- in the case of a Director - of the Chairman of the Board or his delegate, and
- in the case of a Senior Executive - of the Managing Director (or his nominee, the Company Secretary).

The Chairman, Managing Director or Company Secretary (as applicable) will generally refuse consent for a Director or Senior Executive to apply for, buy or sell Toll securities or enter into transactions or arrangements in risk limiting

products **during a “blackout period”** unless special circumstances exist (including financial hardship and any other exceptional circumstance in which the proposed dealing is the most reasonable course of action available).

Consent may be given in any written form and will be effective for two business days after it is given, subject always to the qualification that Directors and Senior Executives must not apply for, buy or sell Toll's securities or engage in transactions or arrangements in risk limiting products at any time if the Director or Senior Executive has or becomes aware of any inside information, even if the Chairman, Managing Director or Company Secretary (as applicable) has given his prior written consent.

#### Dealings that are excluded from this policy

- Conversion of securities, participation in dividend reinvestment plans etc.

Subject to the insider trading provisions of the Corporations Act, Directors and Senior Executives may at any time:

- (a) *convert securities* - acquire Toll's ordinary shares by conversion of securities giving a right of conversion to ordinary shares, e.g. exercising options, reset preference shares or converting notes (but may not sell any of the shares received upon exercise of the options other than in accordance with this policy within a trading window);
- (b) acquire Toll securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Toll securities under a share purchase plan made to all holders of securities of the same class; or
- (d) acquire Toll securities under a Dividend Reinvestment Plan that is available to all holders of securities of the same class.

- Employee equity plans

Subject to the insider trading provisions of the Corporations Act, you may at any time:

- (a) apply for or acquire Toll securities under an employee equity plan; or
- (b) exercise options acquired under an employee equity plan to acquire Toll's ordinary shares (but you may not sell any of the shares received upon exercise of the options other than in accordance with this policy and the insider trading provisions).

- Transfers to superannuation funds:

Subject to the insider trading provisions of the Corporations Act, Directors and Senior Executives may at any time transfer Toll securities they hold, that are not subject to any dealing restrictions imposed outside of this policy (eg securities granted under a Toll equity incentive scheme that are subject to restrictions on dealing), to a superannuation fund or other savings scheme in which they are a beneficiary.

- Takeover offers

Subject to the insider trading provisions of the Corporations Act, Directors and Senior Executives may dispose of their Toll securities in relation to a takeover offer for Toll, including giving an undertaking to accept, or the acceptance of a takeover offer.

- Margin Lending

Directors and Senior Executives may only enter into a margin lending arrangement if they have complied with both the Toll Margin Lending Policy, and this policy (in particular, in regards to restrictions on transactions in products which operate to limit the economic risk of holding Toll securities).

Subject to the above and subject to the insider trading provisions of the Corporations Act, it is not a breach of this policy if a Director or Senior Executive has entered into a margin lending arrangement in respect of Toll securities and a disposal of such securities occurs as a result of a secured lender exercising their rights under that arrangement.

### Unvested entitlements

Despite anything in this policy, Directors and Senior Executives of Toll and its subsidiaries must not engage in transactions or arrangements in risk limiting products which operate to limit the economic risk of unvested entitlements to Toll securities (eg. hedging arrangements in relation to unvested options or performance rights) or vested Toll securities that are subject to a holding lock or other disposal restriction.

### Specific Transactions

**The Managing Director may from time to time specify that** Directors and Senior Executives (**or particular Directors and Senior Executives**) are restricted from dealing in the securities of other companies with which Toll or its subsidiaries may have a close relationship with, such as companies involved in material commercial discussions with Toll or one of its subsidiaries.

## **3. Toll's Policy – Other Employees (other than Directors and Senior Executives)**

### Employee equity plans

Subject to the insider trading provisions of the Corporations Act, employees of Toll and its subsidiaries may at any time:

- (a) apply for or acquire Toll securities under an employee equity plan;
- (b) exercise options acquired under an employee equity plan to acquire Toll's ordinary shares (but you may not sell any of the shares received upon exercise of the options other than in accordance with this policy and the insider trading provisions).

These dealings by employees are excluded from this policy.

### Generally

Employees (other than Directors and Senior Executives) may deal in Toll securities at any time if they do not have any inside information at that time. However, such employees are strongly advised not to deal in Toll securities during blackout periods and to limit dealing in Toll securities to trading windows.

Employees (other than Directors and Senior Executives) may as a consequence of their position or employment, come into possession of inside information as a result of working on a particular project or assisting on a particular matter (eg. a proposed acquisition). Such employees may be notified by the Company Secretary that, for the duration of the project or matter, they are to be subject to restrictions on buying or selling Toll securities as are applicable to Directors and Senior Executives (as set out in Section 2).

An Employee who has any doubt or question in the application of this trading policy should contact the Company Secretary (or in his absence the Assistant Company Secretary) before dealing in Toll securities.