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Toll Holdings Limited
ABN 25 006 592 089

19 August 2014

The Manager
Australian Stock Exchange
Company Announcement Office
Level 4
20 Bridge Street
Sydney NSW 2000

Lodged Through ASX On Line
Total No. of Pages: 27

Dear Sir

CORPORATE GOVERNANCE STATEMENT AND APPENDIX 4G

Please find attached in accordance with Listing Rules 4.7 and 4.10.3, a copy of Toll Holdings Limited's *Corporate Governance Statement* and completed *Appendix 4G*, for release to the market.

Yours faithfully
TOLL HOLDINGS LIMITED



Bernard McInerney
Company Secretary

Encl.

Toll's Corporate Governance Statement explains the key aspects of the Group's Corporate Governance Framework. It also highlights how these aspects have changed during the reporting period.

The Board is committed to the highest standards in corporate governance and believes that this plays a major role in the Group's success.

As at the date of the Annual Financial Report, the Group's corporate governance practices comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition (ASX Principles and Recommendations).

Information about the Group's governance framework and the policies and charters referred to in this statement can be found on our website at www.tollgroup.com/corporate-governance.

Board of Directors

The Toll Board currently has eight members. Ken Ryan was appointed as a non-executive director on 3 September 2013 and was re-elected at the Annual General Meeting on 24 October 2013. This appointment was made following the completion of appropriate background checks. The Board considers that all relevant information was disclosed in relation to Mr Ryan at the Annual General Meeting. For more information on each Director (including their experience, expertise, qualifications, term of office and independent status) see the Directors' Report on page 16 of the Annual Financial Report. Toll has an appointment letter in place with each current non-executive director that sets out the terms of their appointment. Each new director also receives a detailed induction pack, presentations and tour of local sites.

The Board is chaired by Mr Ray Horsburgh, an independent, Non-Executive Director, and the roles of Chairman and Managing Director are kept separate. Mr Brian Kruger, the Managing Director is the only Executive Director on the Board. All the other Directors are independent, Non-Executive Directors.

Role of the Board

The Board's role is to operate and guide the Toll Group. It does this primarily by supporting management to achieve the Group's goals.

The Board is committed to sustaining long-term business growth in ways that embrace Toll's responsibilities to the communities in which it operates. The Board believes that the twin goals of profitability and corporate citizenship benefit all stakeholders.

The Board operates under a Charter which sets out its roles and key responsibilities including:

- **Strategy:** The Board is responsible for overseeing the Group's performance against strategic and business plans. The Board also oversees capital expenditures, acquisitions and divestments.
- **Risk management:** The Board ensures that processes are in place to identify and manage key risks to the Toll business.
- **Reporting and disclosure:** The Board ensures that procedures are in place to meet the Group's continuous disclosure obligations, and that the Group complies with all of its financial and other reporting requirements.
- **Management and performance:** The Board is responsible for evaluating the Managing Director's performance and approving the remuneration framework and criteria for senior executives. It must also review its own performance each year.
- **Corporate governance:** The Board is ultimately responsible for setting, reviewing and ensuring compliance with the Group's values and governance framework, including establishing and observing ethical standards.

The Board has established a number of Board Committees, which are described on pages 47 to 49 of the Annual Financial Report.

Those matters which are specifically reserved for the Board or its Committees include:

- Appointment of a Chair
- Following the prior consultation with the Managing Director to endorse the Managing Director's appointment and/or removal of the Company Secretary
- Appointment and removal of the Managing Director
- Appointment of Directors to fill a vacancy or as additional Director
- Establishment of Board Committees, their membership and delegated authorities
- Approval of dividends
- Approval of statutory accounts, Directors' Reports and Directors' Statements
- Approval of trading halts (it should be noted that the Board has delegated this authority to the Chair acting together with the Toll Disclosure Committee)
- Approval of additional or development capital expenditure (both planned and unplanned) above the CEO's delegated authority as set by the Board from time to time
- Approval of all acquisitions, mergers and divestitures of material business operations and entities
- Approval of all equity and significant debt funding requirements

- Calling of meetings of shareholders; and
- Any other specific matter nominated by the Board from time to time.

Role of the Chairman

The Chairman leads the Board in meeting its responsibilities to the Group's stakeholders.

The Chairman does this by:

- having appropriate processes in place for preparation of Board information which is accurate, timely and clear
- ensuring the efficient organisation and conduct of the Board's function
- briefing Toll's Directors as necessary on issues that arise or may arise at Board meetings
- leading and making sure the Board is able to discuss and analyse matters effectively
- facilitating effective contribution by all Directors and monitoring Board performance; and
- promoting collaboration between Board members and between the Board and Group management.

Delegation to Managing Director and management

The Board delegates the day-to-day running of the business to the Managing Director and his management team, including the practical implementation of strategies, plans and budgets agreed by the Board and its Committees.

The management team reports back to the Board regularly, so that the Directors have the information they need to discharge their duties and meet their responsibilities to the business.

To ensure the day-to-day business of the Group is operating effectively, the performance of management and key staff is regularly reviewed.

The Board and senior management, as appropriate for their respective reports, sets objectives for each key staff member, and works with those individuals to establish personal development programs. Each individual's performance is then assessed against their goals and plans.

The Board annually reviews the performance of the Managing Director against agreed measures and other relevant facts. The Managing Director undertakes a similar exercise in relation to senior executives. Performance evaluations for management and key staff were completed during the reporting period. For more information on the review process, see the Remuneration Report on pages 26 to 29 of the Annual Financial Report.

Role of the Company Secretary

The Company Secretary is responsible for co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings.

The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary.

Review of Board and Board Committee performance

Each year the Chairman initiates performance reviews of the Board, its Committees and individual Directors. These reviews may be conducted internally or externally. They form the basis of the continuous improvement of the Board and its activities, as well as the Board's succession plans. They also help ensure that the Board always holds an appropriate mix of skills and experience.

An external advisor has been engaged and is in the process of conducting performance reviews of the Board, its Committees and individual Directors.

Board composition

As outlined at last year's Annual General Meeting, the Board is in a transitional phase as it expands its size to incorporate new Directors. The Board will continue to seek to identify new talented and experienced candidates for the Board, to ensure that it is well placed to maintain a strong overall Board composition. A key focus in this process will be to become a more gender balanced board, as well as enhancing the Board's overall logistics experience.

Each Director brings different skills and professional services expertise to the Board. The Board seeks to achieve a mix of skills and diversity that includes international, corporate management and operational experience, as well as a deep understanding of the industry in which Toll operates, and the safety, environmental and community challenges Toll faces.

The Nomination and Corporate Governance Committee works with the Board to assess the Directors' combined skills and ensures the Board has the expertise to meet both its responsibilities to stakeholders and its strategic objectives. As part of this process, the Board is aware of the need for diversity among its Directors, both in gender and experience. The Board and the Nomination and Corporate Governance Committee, closely assesses diversity criteria when considering Board candidates.

The Board's policy for the nomination, selection and appointment of Directors can be found on the Group's website at www.tollgroup.com/corporate-governance.

A summary of the breadth and depth of the Board's experience and skills appears below.

Experience and skills	Number of Directors
International business	8
Industrial / manufacturing	6
Mining resource industries	4
Professional Services	3
Accounting, Finance and Banking	5
Equity, Capital Markets, Mergers and Acquisitions	5
Transport & Logistics	2
Governance and Compliance	7
Regulatory compliance	7
Human Resources Management	7
Business Development	7
OH&S / Risk management	7
Marketing	6
Remuneration	5
Community Development	5
Government Relations	6
CEO, CFO or COO experience	8
General management	8
Retail FMCG	2

Geographic experience	Number of Directors
Australia & New Zealand	8
Asia	6
China	5
India	1
Europe	1
United Kingdom	2
United States of America	4

For more information on each Director, see the Directors' Report on page 16 of the Annual Financial Report.

Independence of Directors

The Board Charter, which can be found at the Group website www.tollgroup.com/corporate-governance sets clear guidelines for assessing the independence of Directors.

The Charter recommends that the Board be composed of a majority of independent Non-Executive Directors, including an independent Non-Executive Chairman. Toll requires that all Directors, independent or otherwise, act in the best interests of the Group and exercise independent and unfettered judgment.

The Board confirms that none of its Non-Executive Directors had any relationship that could have materially interfered, or be perceived to materially interfere, with their independent and unfettered judgment.

The Board also considered the circumstances of each Director and determined that all Non-Executive Directors were independent as described in box 2.3 of the ASX Principles and Recommendations. The Board's guidelines for assessing independence notes that a Director will be considered to be independent if they are not members of the management and they are free from any business interest or other relationship which could, or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgment.

The *Corporations Act 2001*, the Company's Constitution and the monthly Board meeting process requires Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence.

Independent advice, induction and training

Toll has procedures and policies in place to assist Directors in fulfilling their responsibilities.

As Directors join the Board, they undertake a comprehensive induction program, which includes information on Toll's core values, key strategies, objectives, as well as its governance framework and global operations. New Directors also meet with key senior management and participate in selected site tours to gain a better appreciation of the Group's services and capabilities.

The Board also receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance. All Directors have ongoing access to information on Toll's operations and to the Group's senior management through Board presentations and site visits.

Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Group. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.

Tenure and retirement

The Board is ultimately appointed by Toll shareholders.

If a Director is appointed to a casual vacancy by the Board during the year, they must stand for election at the next general meeting of members.

At least once every three years, each Director (except the Managing Director) must retire. If they are available and eligible, they can stand for re-election at that time.

Before the Board recommends the re-election of any Director, it will seek the recommendations of the Nomination and Corporate Governance Committee and consider the strategic direction of the Group and the required mix of skills and experience required by the Board from time to time.

For further information on Directors' tenure, please refer to the Directors' Report on page 16 of the Annual Financial Report.

Board Committees

The Board has four Board Committees to help in fulfilling its key responsibilities:

- Nomination and Corporate Governance Committee
- Occupational Health & Safety and Environmental Committee
- Remuneration Committee; and
- Audit and Risk Committee.

Each Committee has its own Charter, and these are reviewed and updated at least annually. Copies of the Board and its Committee Charters can be found on the Group's website at www.tollgroup.com/corporate-governance.

At any time, the Board can address items within a Committee's Charter at Board level.

Committees are able to seek information from any officer or employee of the Group and from independent advisors as required. The Committees report to the Board and make recommendations on relevant matters in the first Board meeting following each Committee meeting.

The roles and responsibilities of each Board Committee are detailed below. Details of Committee membership and meeting attendance can be found in the Directors' Report on page 19 of the Annual Financial Report.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee is responsible for the composition, independence and operation of the Board. Prior to appointing or recommending a new Director be elected, the Company has processes in place to undertake appropriate checks on the candidate's background. The Board will ensure it provides security holders with all material information relevant to decisions on whether or not to elect or re-elect a Director.

The responsibilities of the Committee include:

- reviewing the size and composition of the Board and its Committees
- advising the Board on the desired mix of Director skills and competencies
- establishing criteria for Board member selection, and ensuring that these criteria are used to recommend the appointment, re-election and tenure of Directors; and
- developing and reviewing Board succession plans so that an appropriate balance of skills and experience is maintained, and advising the Board on succession matters.

- identifying potential Board candidates in accordance with Group requirements for independence, skills, diversity and experience
- ensuring that the induction program for new Directors is effective
- establishing procedures for the review of Board, Committee and Director performance
- ensuring that the Group's corporate governance framework meets the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and creating and reviewing compliance policies and procedures in line with those recommendations; and
- creating diversity policies and objectives, and establishing processes for monitoring Group progress toward them.

This Committee must have at least three Directors, a majority being independent Directors, and must be chaired by an independent Director.

The Committee meets as needed, and has met three times during the reporting period.

Occupational Health & Safety and Environment Committee

The Occupational Health & Safety (OH&S) and Environment Committee focuses on safety in the workplace and on protecting the environment in which the business operates.

The responsibilities of the Committee include:

- monitoring the Group's compliance with relevant OH&S and environmental laws, regulations and standards
- monitoring the culture of health, safety, environment and energy efficiency within the group
- establishing and tracking measurable workplace health, safety and environment objectives and targets
- monitoring compliance of the regulatory framework and changes in OH&S and environmental law, including climate change law and carbon reporting
- identifying, monitoring and assessing key OH&S and environmental risks, including reviewing measures to minimise those risks
- reviewing management reports on OH&S and environmental performance and issues
- monitoring the Groups strategic and operational approach to energy efficiency
- reviewing outcomes of any investigation of a major OH&S or environmental incident; and
- reporting to the Board and making recommendations on the Group's OH&S and environmental policies and procedures, compliance and energy efficiency initiatives.

This Committee must have at least three Non-Executive Directors, and it must be chaired by a Non-Executive Director who is not the Board Chairman.

The Committee met four times during the reporting period.

Toll's OH&S and Environment Committee has worked closely with the Board to ensure the Group's OH&S strategy supports its Directors in complying with the laws in all the jurisdictions in which it operates.

Remuneration Committee

The Remuneration Committee focuses on ensuring that Toll's remuneration levels are set competitively and at levels that attract and retain qualified and experienced Directors and senior executives. The Committee also makes recommendations on policies for staff salary reviews. The structure and mix of remuneration for Non-Executive Directors differs from that of executive Directors and senior executives. Non-Executive Directors do not receive any retirement benefits other than superannuation. Details on the remuneration of the Managing Director, the Non-Executive Directors and the Group's key management personnel are set out in the Remuneration Report on pages 20 to 40 of the Annual Financial Report.

The responsibilities of the Committee include:

- reviewing and making recommendations to the Board on the Group's remuneration strategy and framework
- reviewing and making recommendations to the Board on Managing Director and senior executive remuneration allowances, incentives and termination payments
- reviewing and making recommendations to the Board on Non-Executive Directors' fees
- ensuring Toll complies with requirements for the disclosure of remuneration arrangements
- reviewing policies, offers, performance hurdles and offer terms with regard employee share, rights, units and option plans
- engaging with stakeholders on remuneration policies and practices
- advising the Board on gender-related remuneration issues and recommending strategies to address any identified pay gaps; and
- approving and engaging remuneration consultants where independent advice is required to set remuneration for key management personnel,.

This Committee must only be made up of Non-Executive Directors, and must be chaired by an independent Non-Executive Director.

The Committee meets as needed, and has met four times during the reporting period.

Audit and Risk Committee

The Audit and Risk Committee oversees all matters that relate to the financial affairs of the Group, including the external audit as well as key risks for the Group.

The responsibilities of the Committee include:

- ensuring compliance with the Group's auditor independence policy and reviewing the annual audit plan
- overseeing the preparation of half-year and full-year financial statements
- reviewing and, where appropriate, recommending changes to Toll's accounting policies
- reviewing the effectiveness of internal audit and cross-divisional reviews
- managing the process of identifying and managing audit and risks
- monitoring risks to business continuity, disaster recovery, reputation, currency exposure and interest rate exposure
- assessing the performance of internal control risk management; and
- recommending to the Board the selection, appointment, rotation, re-appointment or replacement and compensation of, the external auditor.

Toll's Auditor Independence Policy can be found on the Group's website at www.tollgroup.com/corporate-governance.

The Audit and Risk Committee has also developed processes for the review of management reports on various aspects of the Group. These processes allow Toll to maintain high standards for its audit and risk management functions.

Through these processes, relevant managers make declarations on aspects of risk and financial management. These declarations include statements on the operation of, and business compliance with, a sound system of risk management and internal controls. This system is further explained in the section, Risk management, on the following page.

This Committee must only be made up of Non-Executive Directors and consist of at least three members. A majority of the Directors must be independent. The Committee must also be chaired by an independent Non-Executive Director who isn't the Board Chairman.

The Committee's members are all financially literate and are suitably experienced to undertake their duties on this Committee.

The Committee met five times during the reporting period.

Diversity

We believe that the contributions and efforts made by our richly varied talent base that make up our workforce is a key component of our success. We value the vast range of capabilities, experience and perspectives that comes from people of varying ethnicities, cultures, backgrounds, gender, age and other differences that we find across the over 50 countries in which we operate and employ over 40,000 people.

For the first time at Toll in the last year, we conducted an employee engagement survey that found 75% of our employees feel proud to work for Toll. Equally pleasing was that men and women equally felt that they have the same chances of promotion.

Overall employee numbers reduced during the period as a result of some business disposals and a reduction due to restructuring and a focus on efficiencies. Unfortunately, this resulted in fewer women in our senior management ranks, down from 13% in 2013 to 11% in 2014. Whilst our overall male representation increased the number of men who left during the period was double the number of women for the same population of management. Women represent 23% of all Toll employees.

Toll developed its second Reconciliation Action Plan (RAP) and made progress on all our objectives in RAP1 as we continue to focus on building indigenous engagement and employment opportunities. Please refer to page 58 of the Corporate Social Responsibility Report in the Annual Financial Report for further details.

During the period, we continued to support our women in leadership roles which saw a 21% female participation in our flagship Leadership@Toll program.

Our objective to provide two female candidates for every senior management vacancy improved to 55% and where we did not achieve this, one female candidate was included 60% of the time. Our pipeline of women, who continue to be under-represented, in operational roles is a key challenge and this is an area we will continue to take a long term strategic view on to attract and develop women into these traditionally male dominated industry roles.

Our focus on pay equity analysis across the group continued and pleasing that our most senior women in operational roles are paid equitably, in comparison to their male counterparts. We have identified gaps further down the organisation and we now have greater visibility of this to which we have provided managers more data and guidelines on how to address these gaps overtime.

We have also rolled out more online learning modules aimed at our One Toll values and ethics, safety, privacy and environment with over 12,000 learners participating in new online training.

With the addition of new non-executive board member Ken Ryan to the board on 3 September 2013, Toll has a 13% female representation on the Board, 11% in Senior Management and 23% overall.

The Board considers that these measurable objectives remain appropriate for the next financial year.

Ethical and responsible decision making

Toll is committed to ethical business practices.

The Group has developed policies to ensure our compliance with legal obligations and to address certain stakeholder expectations. Beyond this, the business has an expectation that all Directors, managers and employees will act with integrity and objectivity at all times.

Toll's Code of Practice sets out our obligations in relation to bribery and corruption, fair trading, insider trading, equal opportunity, health and safety, the environment, gifts and favours, conflicts of interest, expenses and claims, confidentiality and more.

Toll's Code of Ethics further reflects the Group's commitment to the highest standards of integrity, honesty and accountability.

All Group employees are encouraged to report unacceptable behaviour to their nominated supervisors at first instance. Toll operates a Disclosure Hotline, which allows employees to anonymously report unethical behaviour through an independent third party.

Toll also has a separate Code of Conduct for Directors and Senior Executives, based on a code prepared by the Australian Institute of Company Directors.

The summary of the Code of Practice, the Code of Ethics, the Code of Conduct for Directors and Senior Executives and the Code of Conduct with Stakeholders are all available on the Toll website at www.tollgroup.com/governance-policies.

Securities trading policy

Toll's Securities Trading Policy sets out the procedures and guidelines that must be followed by Directors, executives and employees of the Group who wish to deal in Toll securities. This policy has recently been reviewed and meets the requirements identified in ASX Listing Rule 12.12.

Directors, executives and employees are prohibited from trading in the Group's securities, related financial products and derivatives whenever they are aware of price sensitive information that is not generally available to the market.

Directors, the Managing Director, senior management and other employees who receive equity-based payments as part of their remuneration, are prohibited from entering into "hedging" or other arrangements which effectively limit the economic risk of unvested entitlements that they may hold under any of Toll's incentive plans (such as the Senior Executive Option and Rights Plan).

Risk management

Effective risk management is essential to Toll's success and is an integral part of our culture.

While we need to accept a level of risk in achieving our goals, sound risk management helps us to make the most of each business opportunity.

Toll's approach to risk management assists us in identifying risks early and addressing them in ways that manage uncertainties, minimize potential hazards, and maximize opportunities for the good of all our stakeholders.

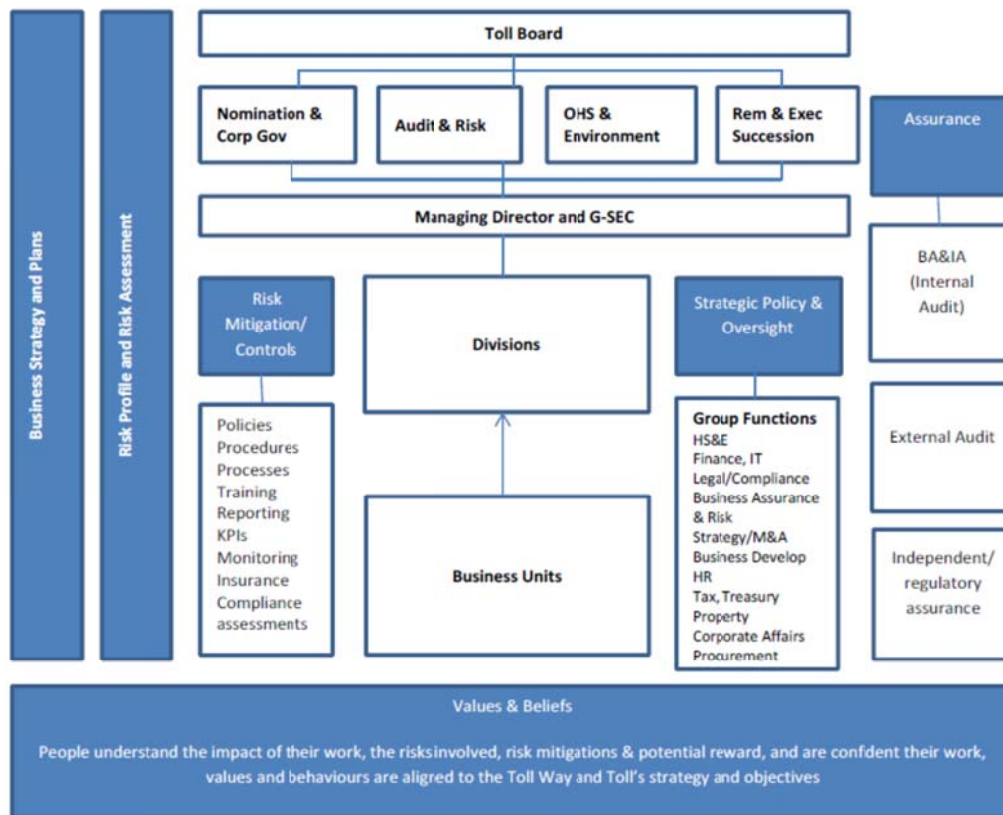
The Group will formerly review its risks on an annual basis. We use Toll's risk management framework, explained in detail below, to balance risks and rewards, and to build risk management into our day-to-day work.

The strength of this framework rests on the Group's mix of formal policies, procedures, reports and analysis, and informal controls such as informed judgment, ethics and specific accountabilities. Its implementation is overseen by the Board and its Committees.

Toll's Risk Management Policy and Internal Compliance and Control System are set out in the Risk Management Policy Statement on the Group's website at www.tollgroup.com/corporate-governance. An overview of the risk framework is given below.

Risk management accountability framework

The key components of Toll's risk management, governance and accountability framework are pictured here.



The framework also assigns responsibility for managing risk activities using a '3 lines of defence' approach:

- Divisional and Business Unit Management who own the risks – 'first line'
- Group functions – 'second line' – provide strategic framework, policy and oversight; and
- Assurance (internal audit, external audit, and external regulatory certification) – 'third line' – to provide independent assurance and monitor compliance.

The Board, through its Audit and Risk Committee and OH&S and Environment Committee, oversees the establishment, implementation and ongoing review of the Group's risk management and internal compliance and control system. The internal control system covers Strategic, Operational, Financial and Regulatory/Legal risks. The Audit and Risk Committee also approves the annual program of Business Assurance and Internal Audit reviews, and reviews regular reports on the program's progress at each Committee meeting.

The OH&S and Environment Committee monitors the Group's compliance with relevant OH&S and Environmental laws and identifies and monitors key health, safety and environmental risks. It also tracks measurable workplace health, safety and environment objectives, the impact of changes in OH&S and environmental legislation, and the potential for any liabilities arising from any OH&S or environmental issues.

The Managing Director is responsible for the design and implementation of the risk management policy and the internal compliance and control system, while Divisional Directors are responsible for risk management within their divisions.

The Group Senior Executive Committee, comprised of the Managing Director, Divisional Directors, Company Secretary and other senior executives, identifies, evaluates and monitors Toll's key business risks. The Committee is responsible for ensuring our mitigation strategies are effective and comply with the relevant regulations. A detailed Health, Safety & Environment report is also incorporated into the Board papers at each scheduled Board meeting throughout the year.

To promote accountability, Divisional Directors delegate day-to-day responsibility for risk management, compliance and control to business unit General Managers. These managers are guided by the principles and parameters set out by the Audit and Risk Committee and OH&S and Environment Committee.

Group Function Executives and Group General Managers have specific functional responsibility group wide for establishing strategic policy, direction, monitoring, reporting and perform an oversight role. The main oversight functions include Health, Safety and Environment (including Road Transport Compliance and Dangerous / Hazardous Goods), IT, Finance, Legal & Ethical Compliance, HR, Property, Corporate Affairs, Security, Tax, and Treasury.

The Business Unit General Managers, Divisional Directors and selected executives are required to give detailed risk management and governance declarations annually.

The OH&S and Environmental Group function specifically supports group wide risk management and compliance activities in the key risk areas such as OH&S, environment, dangerous goods and hazards by:

- developing policies and procedures that act to manage and mitigate risks; and
- ensuring regular reporting to senior management and the Board on matters of OH&S, environment, dangerous goods and hazards.

The Business Assurance and Risk (which includes the Group's Internal Audit team) function supports Group-wide risk management and compliance activities. These functions have joint or individual responsibility for:

- ensuring regular reporting to senior management and the Board on matters of security, crisis management, business interruption and insurable risks
- independently evaluating selected risk management and internal compliance and control systems
- helping to evaluate and monitor the effectiveness of Group and divisional business risk analysis programs, and manage the Group's material business risks as reported to the Board
- evaluating and implementing appropriate risk financing strategies, to ensure insurable risks are adequately managed and business contingency plans exist; and
- consulting with other Group functions as needed.

This framework helps us manage a number of risks, including:

- **Strategic risks** – such as market & industry models, customers and suppliers, growth and returns, and mergers and acquisitions
- **Operational risks** – such as occupational health & safety, environment, business continuity, IT and technology innovation, security, talent and capability, and industrial relations
- **Financial reporting risks** – including the integrity of financial reports, treasury and tax
- **Regulatory/Legal risks** – including compliance with industry regulations and relevant legislation, ethics and continuous disclosure requirements.

Further details of how some of these risks are managed are included in the Corporate Governance section of the Group's website at www.tollgroup.com/corporate-governance.

Reporting to the Board on Risk Management for this reporting period

Business risk reporting

During the reporting period, the Board received and was satisfied with management's report on the Group's material business risks and the effectiveness of the Group's management of these risks.

As explained above, Toll's integrated risk management programs aim to ensure risks are identified, assessed and appropriately managed, and include regular reports to the Group Senior Executive Committee and the Board.

The Audit and Risk Committee is responsible for reviewing the effectiveness of the Group's risk management and internal control system.

Financial risk reporting

In relation to the financial statements for the financial year ended 30 June 2014, and the half-year ended 31 December 2013, the Managing Director and Chief Financial Officer have provided the Board with declarations that:

- in their opinion, the financial records of Toll have been properly maintained; and
- in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Toll; and
- in their opinion, there are reasonable grounds to believe that Toll is able to pay its debts as and when they become due and payable.

The Managing Director and Chief Financial Officer also provided statements to the Board that, to the best of their knowledge and belief:

- The declarations above regarding the integrity of the financial reports are founded on a sound system of risk management and internal control which is operating effectively (as described in the 3rd Edition and 2nd Edition (respectively) of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations).
- Nothing has come to their attention since 30 June 2014 that would indicate any material change to the statements made above.
- Majority-owned entities and those entities under Toll management control are included for the purposes of this statement.

The declarations and statements by the Managing Director and Chief Financial Officer are supported by the risk management framework detailed above.

Continuous disclosure

Toll has policies and procedures in place which are designed to ensure that it complies with its continuous disclosure obligations and immediately releases price-sensitive information to the Australian Securities Exchange (ASX).

Toll's Continuous Disclosure Policy and its Continuous Disclosure Procedures Manual outline the Group's disclosure responsibilities and sets out the process for the approval of ASX announcements, including where Board approval is required in respect of announcements that relate to certain significant matters. The policy and manual also outline the role and operations of the Group's Disclosure Committee.

The Disclosure Committee (consisting of the Board Chairman, Managing Director, Chief Financial Officer and Company Secretary or their delegates) is responsible for monitoring potentially disclosable information provided by management and overseeing systems to ensure that material information is identified and reported to the ASX as required.

Toll has implemented several practices internally to keep the Disclosure Committee informed about potentially disclosable matters and to reinforce the importance of its continuous disclosure obligations.

During the year, Toll's continuous disclosure policy and procedures manual was reviewed and updated by the Board and the Group Senior Executive Committee to ensure that information is able to flow easily and swiftly from Group business units to senior management and the Board.

The Group's Continuous Disclosure Policy is available on the Toll website at www.tollgroup.com/corporate-governance.

Communicating with shareholders

The Board is committed to keeping shareholders fully informed about important information that affects the Group. Toll's Shareholder Communication Policy can be found on the Group's website at www.tollgroup.com/corporate-governance.

Information is communicated to shareholders in a number of ways.

ASX announcements

All matters that must be disclosed under the ASX Listing Rules are announced to the ASX in line with Toll's Continuous Disclosure Policy. Under the policy, the Board and Group management are responsible for complying with the disclosure requirements of the ASX Listing Rules.

The Annual Report

The Annual Report is distributed to shareholders who have asked for a printed copy. It is also available electronically on the Group's website at www.tollgroup.com/investors.

The Annual General Meeting

Shareholders are encouraged to attend the Group's Annual General Meeting.

The AGM is an opportunity for shareholders to hear the Managing Director and Chairman provide updates on Group performance, ask questions of the Board and vote on the various resolutions affecting the business.

Shareholders are also given an opportunity to ask questions of the Group's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

The Group's website

The Group's website, **www.tollgroup.com**, continues to be developed and enhanced.

The following information can be found in the Investors section:

- latest AGM dates, proxy voting results, notices of meeting and explanatory material, as well as transcripts of the Chairman's and the Managing Director's addresses
- Annual Reports for the past ten years, and presentations made to the market about annual results
- corporate announcements
- information on significant developments
- a diary of events of interest to shareholders; and
- the live share price of the Company's ordinary shares trading on the ASX, delayed by approximately 20 minutes.

Investors are also able to provide feedback and seek further information about the company via this section of the website.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Toll Holdings Limited

ABN/ARBN

25 006 592 089

Financial year ended

30 June 2014

Our corporate governance statement² for the above period above can be found at:³

☐ these pages of our annual report:

☒ this URL on our website:

<http://www.tollgroup.com/financial-results>, and

<http://www.tollgroup.com/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at **19 August 2014** and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: **19 August 2014**

Sign here:


Company Secretary

Print name: Bernard McInerney

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</u>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/board-charter <i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/procedure-for-the-selection-and-appointment-of-new-directors <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Remuneration Report in Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/board-charter</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/diversity-and-equal-opportunity-policy</p> <p><i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	most recent “Gender Equality Indicators”, as defined in and published under that Act.	<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> ... and the information referred to in paragraphs (c)(1) or (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/performance-evaluation-process-for-board-directors-and-key-executives <i>Insert location here</i> ... and the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/performance-evaluation-process-for-board-directors-and-key-executives <i>Insert location here</i> ... and the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/terms-of-reference-of-board</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<i>Note: None of the Directors have the interests, position, association of relationship of the type described in Box 2.3</i>) OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/code-of-conduct-for-directors-and-senior-executives <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/terms-of-reference-of-board <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/continuous-disclosure <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/corporate-governance <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.tollgroup.com/communications-with-shareholders _ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/communications-with-shareholders</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<u>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</u>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/terms-of-reference-of-board</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<p>[If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014 _____ <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: Refer Audit and Financial Risk Committee Charter located at http://www.tollgroup.com/terms-of-reference-of-board _____ <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Refer Corporate Social Responsibility Report contained in Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/terms-of-reference-of-board</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<p>[If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location:</p> <p>Remuneration Report in Directors' Report For Year Ended 30 June 2014 lodged with ASX on 19 August 2014</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location:</p> <p>http://www.tollgroup.com/securities-trading-policy</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>