



Board Charter

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CONTENTS

1	INTRODUCTION.....	3
2	ROLE AND RESPONSIBILITIES	3
3	COMPOSITION.....	4
4	MEETINGS	4
5	COMMITTEES	5
6	RELATIONSHIP WITH MANAGEMENT	5
7	INDUCTION AND TRAINING.....	5
8	PERFORMANCE EVALUATION.....	5
9	ACCESS	6
10	CHARTER REVIEW.....	6
	Appendix 1 - Definition of an Independent Director	7
	Appendix 2 - Performance evaluation	8

1 INTRODUCTION

Intoll Group (“Intoll”) is a triple-stapled structure. The entities which comprise Intoll are two Australian trusts and a Bermudian exempt mutual fund company:

- Intoll Trust (I) (“IT (I)”)
- Intoll Trust (II) (“IT (II)”)
- Intoll International Limited (“IIL”)

Each of the trusts and the Bermudian company are listed on the Australian Stock Exchange and trade as a triple-stapled security, namely Intoll.

Intoll Management Limited (“IML”) is the Responsible Entity/Trustee of IT(I) and IT(II) which are listed registered managed investment schemes, the advisor of IIL and also the trustee of some wholly owned IT(I) trusts which are part of the holding structure for an Australian toll-road asset.

Under the terms of an Advisory Deed, IML advises the IIL Board in respect of capital structure, investment strategy and the day to day business affairs of IIL.

IT(I), IT(II), IML and IIL have entered into a Cooperation Deed which governs co-operation, investment policy and the making of investments, capital raising, borrowings, continuous disclosure and certain other administrative matters for the three stapled entities with a view to ensuring consistency in the management of Intoll.

2 ROLE AND RESPONSIBILITIES

The primary role of the IML Board of Directors is to ensure the long-term health and prosperity of the groups assets managed by IML.

Specifically, the Board is responsible for:

- Setting objectives, goals and strategic direction for management, with a view to maximising investor wealth
- Determining and monitoring the implementation of the principal investment policy of IT(I) and IT(II) in respect of investments
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments
- Approving the nomination of Directors to asset operating companies
- Adopting an annual budget and monitoring the financial performance of IT(I) and IT(II).
- For all controlled assets, and other assets where applicable, reviewing the annual budgets for IT(I) and IT(II) investments and monitoring the financial performance of those investments
- Appointing and removing the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (if any) or their equivalents
- Appointing and removing the Company Secretary
- Monitoring senior management’s performance, including the implementation of strategy, and ensuring appropriate resources are available
- Approving the remuneration of the CEO and senior executives
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance
- Approving and monitoring financial and other reporting
- Setting the highest business standards and code for ethical behaviour

3 COMPOSITION

IML is a wholly owned subsidiary of Intoll Holdings Limited, a wholly owned subsidiary of IT(II). By way of a corporate governance deed, Directors are nominated by Intoll Holdings Limited in accordance with the voting of Intoll security holders and appointed by the IML Board.

The following will apply to Board composition:

- The Board is to comprise at least three Directors. Additional Directors may be appointed if the Board feels that additional expertise is required in specific areas, or when an outstanding candidate is identified
- Independent Directors are to comprise a majority of the Board
- If there is a vacancy on the Board that remains unfilled or if there are any casual vacancies on the Board then the Board may appoint any person to fill that vacancy. Any such Director appointed by the Board may hold office only until the next general meeting of Intoll security holders
- The Board is to be comprised of Directors with an appropriate range of qualifications and expertise
- To ensure the Board has the benefit of regular new input and to avoid the potential for loss of objectivity over time, all Independent Directors will retire or become non-executive after 12 years
- Directors are appointed by IML's shareholder and will be appointed and removed in accordance with the Corporate Governance Deed
- The Chairman of the Board will be elected by the IML Board and may be non-executive or independent
- Where the Chairman is not Independent a lead Independent Director is to be appointed each financial year using an alphabetical 12-month rotation system

The following guidelines apply to Director selection and nomination:

- Integrity
- Particular expertise (sector and functional) and the degree to which they complement the skill set of the existing Board members
- Reputation and standing in the market
- In the case of prospective Independent Directors, actual and perceived independence from Intoll.

INDEPENDENT DIRECTOR - DEFINITION

The definition of Independent Director reflects the requirements of the ASX Corporate Governance Principles. The current definition is set out in Appendix 1.

4 MEETINGS

The Board will meet at least every two months, with additional meetings as the Chairman shall deem appropriate being scheduled in order to fulfil its duties. In addition, the Company Secretary is required to convene a meeting if requested to do so by any Director.

Board papers should be distributed at least six days prior to each meeting. The Board requires Directors to attend as many Board meetings as possible and to have read and considered the Board papers ahead of each meeting.

The number of Directors necessary to constitute a quorum is two Directors.

A motion shall be passed by a simple majority of votes cast in favour by Directors present at the meeting.

In addition to the above meetings, the Independent Directors are to meet at least once per year in the absence of management, and at such other times as they may determine.

5 COMMITTEES

The Directors may delegate any of their powers to a committee or committees.

The Directors shall as a minimum establish the following committee, and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate:

- Audit and Risk Committee
- Compliance Committee
- Remuneration and Nominations Committee

6 RELATIONSHIP WITH MANAGEMENT

The Board has delegated certain of its powers including powers to manage the business of IML. Regular review of the division of responsibilities to ensure that they remain appropriate to the needs of IML should be undertaken and at the least annually.

7 INDUCTION AND TRAINING

Induction

Each new Director will upon appointment, participate in an induction programme. This will include discussions with the Chairman, the Chief Executive Officer and other relevant executives to gain an understanding of Intoll and its procedures.

Training

Directors should ensure that they keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

Each Director will be invited to participate in:

- internal training sessions and conferences organised by management from time to time in respect of relevant industry and regulatory issues
- asset tours organised from time to time.

Any other training requirements should be discussed with and if appropriate arranged by the Company Secretary (with the Chairman's approval).

8 PERFORMANCE EVALUATION

The performance of the Board, Board Committees and each Director will be subject to formal performance assessment.

The current review procedures are set out in Appendix 2.

9 ACCESS

The Board may seek further information on any issue, including requesting that particular executives present to it on the performance, strategy or outlook for the Group or particular assets.

Each Director will have direct access to the Company Secretary.

Each Independent Director shall have the ability to take independent professional advice where that Director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the Director consulting an independent expert will be borne by IML, subject to the estimated costs being approved by the Chairman in advance as being reasonable.

The procedures for the taking of advice to be borne by IML are as follows:

- Where a Director considers that he or she may require independent advice, that Director should approach the Company Secretary for a list of current Intoll advisers. This is in order to ensure that the Director is able to select an adviser who is independent of the Group.
- The Director should advise the Chairman of the nature of and reasons for the advice that is sought, the name of the professional adviser selected by the Director and the fee estimate for the advice.
- The Chairman will consider the proposal on a timely basis and authorise if reasonable. The Chairman must not unreasonably withhold such authorisation.
- The Chairman may delegate the authority to authorise the payment of the professional adviser's expenses to another Director, or to the Company Secretary.

10 CHARTER REVIEW

As part of the regular performance evaluations, the Directors will collectively review, and if appropriate update the Board charter.

APPENDIX 1 - DEFINITION OF AN INDEPENDENT DIRECTOR

To be considered independent in relation to Intoll, a person:

- must be appointed in a non-executive capacity and therefore must not be an officer or employee of any Intoll entity.
- must not be a substantial shareholder of:
 - Intoll, or
 - a company holding more than five percent of the voting securities of Intoll.
- must not be an officer of, or otherwise associated directly or indirectly with, a shareholder holding more than five percent of the voting securities of Intoll (other than the responsible entity of Intoll).
- must not, within the last three years, have been:
 - employed in an executive capacity by the responsible entity and/or special purpose vehicle, or by another Intoll entity; or
 - a Director of any such entity after ceasing to hold any such employment.
- must not be a principal or employee of a professional adviser whose billings to Intoll over the previous full year, in aggregate, exceed five percent of the adviser's total revenues over that period.

A Director who is a principal, Director or employee of a professional adviser must not participate in any consideration of the possible appointment of the professional adviser and must not participate in the provision of any service by that firm to Intoll.
- must not be a significant supplier or significant customer of Intoll, or an officer of or otherwise associated directly or indirectly with, a significant supplier or customer.

A significant supplier is defined as one whose revenues over the previous full year from Intoll exceed five percent of the supplier's total revenue over that period. A significant customer is one whose amounts payable to Intoll exceed five percent of the customer's total operating costs.
- must not, other than as a Director of Intoll, have any contractual relationship with any member of the Intoll group that is material to that Director.
- must not have any other interest or relationship that could interfere with the Director's ability to act in the best interests of and independently of Intoll.

APPENDIX 2 - PERFORMANCE EVALUATION

Background

Principle 8 of the ASX Corporate Governance Guidelines:

- Recommends that a listed entity disclose the process for performance evaluation of the board, its committees and individual Directors and key executives ("Recommendation 8.1").
- Requires that the entity disclose in the corporate governance section of its annual report:
 - whether a performance evaluation for the board and its members has taken place in the reporting period and how it was conducted;
 - an explanation on any departure from recommendation 8.1.
- Requires that details of the review process for the Board, its committees, individual Directors and key executives be included on the entity's website.

IIL and IML undertake the performance review process outlined below.

IIL and IML performance appraisal process

For each of the Intoll Boards a review of independent Directors and Board and committee performance is undertaken as follows:

- The independent Directors on each of the IIL and IML Boards are individually assessed on a regular basis (including their role on any committee).
- There will be regular Board and committee effectiveness evaluations.
- The assessments will be by means of the Chairman conducting brief interviews with each of the Directors in relation to the effectiveness of the Board and its committees, and individual performance in the case of independent Directors.
- The Chairman provides feedback to the Board as a whole as to Directors views as to the effectiveness of the Board and its committees, and individually to the independent Directors in respect of their performance.