

HD Toll Holdings Ltd Annual Shareholders Meeting - Final

WC 12,318 words

PD 22 October 2014

SN CQ FD Disclosure

SC FNDW

LA English

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Presentation

RAY HORSBURGH, CHAIRMAN, TOLL HOLDINGS LIMITED: Good afternoon ladies and gentlemen. It's now 2:00pm, the nominated time for the commencement of this meeting. I would like to acknowledge that this meeting is being held on the traditional lands of the Wurundjeri people of the Kulin nation and pay our respects to elders both past and present.

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My name's Ray Horsburgh, the chairman of Toll Holdings Limited and it's my pleasure to welcome you to this, our 21st AGM. This meeting is also being streamed live over our website and we welcome all participants.

(Conference instructions)

I'm informed that a quorum is present and I therefore declare the meeting open.

It is my pleasure to introduce you to those joining me on the stage today. They are, from your far right, Independent Non-Executive Directors Mr. Mark Smith, Mr. Barry Cusack.

BARRY CUSACK, INDEPENDENT NON-EXECUTIVE DIRECTOR, TOLL HOLDINGS LIMITED: Afternoon.

RAY HORSBURGH: Mr. Frank Ford.

FRANK FORD, INDEPENDENT NON-EXECUTIVE DIRECTOR, TOLL HOLDINGS LIMITED: Good afternoon.

RAY HORSBURGH: Ms. Nicola Wakefield Evans.

NICOLA WAKEFIELD EVANS, INDEPENDENT NON-EXECUTIVE DIRECTOR, TOLL HOLDINGS LIMITED: Good afternoon.

RAY HORSBURGH: Mr. Harry Boon.

HARRY BOON, INDEPENDENT NON-EXECUTIVE DIRECTOR, TOLL HOLDINGS LIMITED: Good afternoon.

RAY HORSBURGH: On my right, Mr. Bernard McInerney, our **Company** Secretary.

BERNARD MCINERNEY, **COMPANY** SECRETARY, TOLL HOLDINGS LIMITED: Good afternoon.

RAY HORSBURGH: Our Managing Director, Mr. Brian Kruger.

BRIAN KRUGER, MD, TOLL HOLDINGS LIMITED: Afternoon.

RAY HORSBURGH: The Chief Financial Officer, Mr. Grant Devonport.

GRANT DEVONPORT, CFO, TOLL HOLDINGS LIMITED: Good afternoon.

RAY HORSBURGH: Unfortunately Mr. Ken Ryan is unable to attend today following a medical procedure and has asked for his apology.

Also with us today is Ms. Alison Kitchen, representing our auditor, KPMG. Welcome to you, Alison.

During the year we conducted a competitive tender for the **Company's** audit services. KMPG were reappointed and Alison has commenced her first year on rotation as the **Company's** engagement partner.

As the Notice of Meeting has been sent to shareholders I propose to take it as read.

Ladies and gentlemen, before we consider the formal items of business I'd like to share some highlights of the past year and I will then invite your Managing Director, Mr. Brian Kruger, to make a presentation on the **operations** of the business.

For the convenience of all shareholders both of our addresses are available on the **Company's** website.

I'll start today's proceedings by giving you an overview of our operational performance this year. I'll then update you on some of the activities and initiatives that the **Board** has been focusing on.

Toll faced many challenges in the 2014 financial year, but I'm pleased to say that our hard-working employees across the world were able to meet them.

In terms of our financial results, encouragingly, we made good progress on productivity improvements and cost reductions. Restructuring our **operations** helped to simplify our business and position us to serve our customers better. Brian will touch on this in his address.

We continued to invest in the business, boosting our network capacity and increasing our operational leverage.

Our strong cash position allowed us to increase dividends for shareholders.

Over the past couple of years we have spoken about the cultural change occurring at Toll and I can honestly say that we are now seeing our businesses behaving in a different way and working more as one organisation.

The Toll Way, our set of values and beliefs that guide us, continues to set us up as a sound, ethical, high performing organisation.

As the Asia Pacific region's leading provider of freight and logistics services we are committed to operating safely. Safety is at the forefront of everything we do and creating a safety-first culture at Toll continues to be a priority.

The **Board's** Occupational Health and Safety and Environment Committee continued its focus on safety in the workplace, on protecting the environment in which the businesses operate.

I am impressed with the concerted effort to improve safety standards across the **Group**, simplify safe work procedures and instructions and improve the quality and shared learning from incident investigations. As a result we have seen a significant cultural shift within our workforce and a shared understanding that safety is our number one priority.

In Australia, our Indigenous engagement program demonstrates our commitment to improve opportunities for Aboriginals and Torres Strait Islander people and create long-term sustainable relationships with a number of Indigenous communities. We continue our work to create an environment that welcomes people of all backgrounds and embraces diversity. We are doing this with a long-term focus in line with our capacity to deliver quality outcomes in the current business climate.

Last year we completed the implementation of our 2013 Reconciliation Action Plan. We also launched our 2014 to 2016 RAP. This new plan will see further development of our commitment, including ensuring we continue to provide training and employment opportunities for Aboriginal and Torres Strait Islanders.

Women continue to be under-represented in operational roles. Helping to attract and develop women into these traditionally male-dominated roles across our industry is a challenge, but it remains a strong focus for the **Board**.

There were fewer women in our senior management ranks, down from 13% in 2013 to 11% in 2014, which was a net reduction of seven women. At the same time the number of men in senior ranks reduced by double this amount.

Our ability to provide two female candidates for every senior management vacancy improved. We had at least two female candidates for 55% of our senior management roles and at least one candidate for 80% of our senior management vacancies.

Toll is focused on reducing its environmental footprint while providing superior service and value for money to our customers. We look to implement initiatives where it makes sense to do so.

We continue to strengthen business systems across the **Group** to help manage risks from key environmental factors such as emissions, **energy** use and conformance to environmental regulations. This work delivered improved environmental performance, reduced our exposure to risk, and delivered better operating and cost efficiencies across the **Group**.

You can see from the agenda paper that I am standing for election again this year but I can advise you today that this will be my last term on the Toll **Board**. A major priority for me will be to find a replacement as Chairman and I will be looking both at existing directors as well as externally to ensure we get the best possible candidate.

Consideration of **Board** renewal is an ongoing process for my colleagues and myself. Mr. Barry Cusack advised the AGM last year that he would not seek another term. So there are a number of vacancies to prepare for over the next couple of years. You should have confidence that while Toll will be losing some experience we are determined to bring forward high calibre people with great value to offer the **Company** and its shareholders.

Along with our aim to be a more gender representative **Board**, logistics expertise will be a key attribute we will be looking for when we search for new candidates. Like all good businesses, we are managing the succession plans for the **Board** and have been working this year to ensure we have the right skill balance on our **Board** into the future. The **Board** will continue to work with the senior executive team to drive business improvements, including cost reductions and investments in productivity-enhancing projects.

This, combined with our disciplined financial management, will position the business well for any improvement in the external economic environment and has us well placed to generate improved shareholder returns.

I would sincerely like to thank my fellow Directors for their work this year and of course to Brian and his management team and all Toll employees for their excellent contribution.

Thank you for your attention and I now have pleasure in passing over to our Managing Director, Mr. Brian Kruger.

BRIAN KRUGER: Thanks Ray and good afternoon ladies and gentlemen. Thank you for joining us today.

I've now been in my role for a little over two and a half years and I believe we've made steady progress in terms of improving productivity, reducing costs and driving cultural change through our One Toll program. I am also really excited about the investments we've been making in new facilities, in new equipment, in technology and in our people.

I'll talk some more about this a bit later on, but before then I'd like to review some of the highlights for the **Group** and each of our operating divisions for the last year.

Overall, we were able to deliver an improved financial result despite the continuation of challenging economic conditions in most of our key markets.

Our major project aimed at improving the performance of the Global Forwarding division, Project Forward, resulted in more than AUD20 **million** of savings being delivered during the year.

Through a combination of other restructuring and productivity programs, and benefits realised through capital expenditure and improved purchasing, we also delivered another AUD80 **million** in cost savings across the **Group**. So, a number of difficult decisions and a lot of hard work has allowed us to deliver an improved result over the prior year.

As well as our focus on cost reductions, our continued investment in upgrading our market leading network businesses will not only improve productivity in the short term, but ensure that we are well positioned to capitalise on any improvement in trading conditions.

I'll take you through some examples of our investments and our restructuring a bit later on, but now looking at each of our operating divisions.

Firstly, Toll Global Resources saw lower revenue and earnings in financial year 2014. This was due mostly to the impact of the completion of work for the Australian Defence Force in East Timor and lower earnings from our Australian and Asian marine businesses, being only partly offset by new contract wins.

Toll **Energy** was affected by the winding down of construction-related work on Australia's large-scale LNG projects, but it countered this by winning new production-related work with the likes of Chevron, Santos and ConocoPhillips.

Toll **Mining** Services produced improved results through new fleet investment and improved operating cost performance.

High occupancy rates at the Toll Offshore Petroleum Services supply base in Singapore contributed to a sharp increase in results, since the completion of the base's redevelopment last year.

Toll Remote Logistics was not able to completely offset the end of its East Timor contract with the Australian Defence Force; however, it continues to win work in other places, in particular with the Australian, New Zealand and US defence forces.

Next on to Toll Global Logistics, which also faced difficult market conditions for a number of its businesses. The two Australian **operations**, Contract Logistics and Customised Solutions, both won enough new customer work to offset some contract losses as well as customer down-trading.

The Singapore Government Business **Group** also delivered higher revenue and earnings, primarily as a result of new contracts in the healthcare sector in Singapore. We were also pleased to announce in August that a major contract with the Singapore Government was extended for at least another two years.

Our contract logistics businesses in other parts of Asia delivered slightly improved results, driven by better performances in particular in India and in **China**. This was partly offset by a lower result in Thailand, with our major customers' volumes there being adversely affected by the political situation in that country.

Now looking at Toll Global Forwarding. Conditions remained challenging, so it was critical that we delivered on the cost savings initiatives for this division.

Gross profit from ocean freight was flat, despite higher volumes, while airfreight was down significantly as the trend of more customers using ocean freight in preference to the more expensive airfreight continued. Over-capacity in the ocean freight sector saw freight rates and gross profit per container fall, which meant the improvement in volumes was offset by lower margins.

Our US supply chain business saw lower volumes from a number of its major customers, but we do expect a turnaround in financial year 2015 following some significant recent contract wins. While gross profit was down, as I mentioned earlier the significant cost reductions achieved through Project Forward meant that we were still able to deliver an improved result. There are more costs to take out for this division, but it will be critical for us to deliver gross profit growth in financial year 2015 to continue the recovery in earnings and in return on capital.

Moving on to our Toll Global Express division. In the domestic **operations** of this division we saw a continuation of flat volumes and a trend to lower average consignment weights, particularly in our Toll IPEC and Toll Fast businesses. Those lower consignment weights affected our productivity levels and therefore our margins.

The key drivers of the lower consignment weights has been the increase in business-to-consumer volumes, as well as the impact of general customer down-trading. Moving a larger number of consignments for no overall weight obviously has an impact on productivity and margins. In fact, we estimate that the change in average consignment size reduced margins in Toll Global Express' domestic business by 0.5%, so it was a material driver of the overall lower margins in this division.

So what are we doing about it? We're taking action to address these cost challenges as well as providing capacity to efficiently grow the business, particularly the business-to-consumer market. The best example of this is the building of two major new express parcel facilities in Sydney and Melbourne that will allow us to handle significantly higher consignment numbers more efficiently. I'll share a bit more on those two projects a little later on.

Our air-based express business, Toll Priority, delivered an improved result as it saw higher volumes from existing bank customers, as well as the benefit of some significant cost and productivity programs. In Japan, we saw a positive result driven mainly by productivity improvements. However, we did see volumes slow in the last quarter, primarily due to the increase in Japan's consumption tax which was introduced on April 1, 2014. During the year we also continued the restructuring of this business, with the **sale** of KSU Logistics for AUD20 **million**.

Moving on to the Toll Domestic Forwarding division. Toll New Zealand delivered an improved result due to market share gains, particularly in the parcels business, as well as some significant **property** cost savings and line-haul efficiency improvements.

Toll Tasmania delivered a better result, driven by the benefit of the **acquisition** of Linfox's Tasmanian business. The additional volumes from this **acquisition** also benefited our Bass Strait shipping business,

although this was partly offset by some costs associated with the scheduled major maintenance of our two vessels.

The Toll Intermodal business unit lost a major retail contract early in the financial year. That loss was the catalyst for us making some major changes to our Queensland **operations**, including the selling of some properties, which significantly reduced Toll Intermodal's capital intensity.

Lastly, our Toll Specialised and Domestic Freight division had a difficult year due to lower volumes from its customers whose work relies on **mining** sector activity. We did see some benefits from investment in fleet and equipment in both Toll Express and in Toll NQX and we're expecting benefits from recent investments in depot upgrades and IT to flow in financial year 2015. Both businesses were successful in extending a number of large contracts with key customers that will support future earnings.

Toll Liquids delivered improved earnings as a result of new contract wins and is well progressed in implementing the major new contract with Shell that it won during the year. With that contract and other opportunities in the liquids distribution market, we're expecting good growth from this business over coming years.

Toll Transitions' earnings were down slightly due to a lower number of Australian Defence Force relocations, but the business was still a strong contributor to the division's earnings.

So, that's a quick run through of the key drivers of each division's operating results. Hopefully you can see that despite fairly challenging conditions across most of our key markets, we have taken, and we will continue to take, action to improve the **Group's** financial performance. You can find more detailed results information in our Annual Report, which is available both online and in the foyer.

As most of you will know, safety is one of our core values at Toll and we aim to make safety the most important priority for all of our employees and contractors. This focus is absolutely critical given the unique safety challenges that come along with an organisation of our size and complexity.

The need to never stop working on improving safety was reinforced for all of us following the tragic fatality of one of our people in Port Melbourne in May this year. Seeing the impact on Anthony's family, his friends and his colleagues was really the only reminder that any of us needed as to why safety is so important.

While Toll deals in all areas of the supply chain, there's no question that one of the most dangerous areas we operate in is on our roads. The road safety topic has seen a lot of attention recently, with some very high profile incidents. Fatigue, speed and vehicle maintenance are all contributing factors in many road accidents. We have many programs around the **Group** to continuously improve how we manage each of these issues. By way of example, we've built improved driver rest areas to ensure our drivers are getting quality rest, we've introduced in-cab cameras that will trigger an alarm if the driver's eyes show he's falling asleep and we've invested in driver training simulators that can teach our drivers how to respond safely in emergency situations.

Our **Group**-wide fleet safety networks continue to ensure all the great innovations from our people are effectively shared around the **Group** and tonight we are actually celebrating our second annual **Group** Health and Safety Awards. These awards are great recognition for the people who are leading the way on safety in Toll businesses around the world.

Working with the community to raise awareness of road safety is another important piece in the Toll safety journey. A good example of this is our partnership with one of Australia's leading road safety advocacy groups, The Amy Gillett Foundation. This partnership is a great demonstration of our commitment to working with all road users, including cyclists, to share the road safely. We believe that as one of Australia's largest road users, we not only have to try to **lead** by example, but we also have a role to play in helping all road users understand the importance of safely sharing the road.

As we announced in May this year, we undertook some significant restructuring across the organisation which we expect will deliver an additional AUD40 **million** to AUD50 **million** of benefits in financial year 2015. This restructuring included reducing our divisional reporting structure from six divisions to five and changed reporting lines for a number of business units to better align contract logistics and network-based businesses. The changes will make it easier for our customers to do business with us, reduce crossover of service offerings between divisions, increase best practice sharing and collaboration across business units and reduce complexity and costs.

The new structure is a logical outcome and supports the progress we have made in our One Toll program. We need to ensure that we are best placed to build on the key competitive advantages in our domestic network businesses, while also ensuring we are aligned with our customer needs in our contract logistics businesses. While cost reductions are not the key driver of these changes, we do expect to see meaningful benefits from this restructure, together with other cost saving programs.

We have strong businesses across the **Group**, but it's critical that in the challenging market we continue to reduce complexity and costs, we continue to improve our productivity and build on our strengths.

As I mentioned in my introduction, we're making a number of investments in our existing businesses to provide cost and service improvements in the short term, as well as setting us up to take best advantage of any improvements in economic conditions.

Infrastructure is critical to our business and it is vital we keep investing in this core element of the Toll **Group** to sustain our future growth and this is exactly what we've been doing. Our AUD170 **million** Bungarribee facility in western Sydney is now operational as of the first week of this month. This depot has a parcel sorting capacity of 35,000 parcels an hour and that's more than three times the previous capacity.

We have also begun construction of a similar facility at Tullamarine in Melbourne. At completion, these two depots will be the largest freight sorting facilities in Australia and provide numerous benefits in terms of improving safety, customer service, fleet productivity, parcel-sorting speed and accuracy, as well as **energy** and other cost efficiencies.

The facilities are designed to meet the needs of the growing express freight market as well as emerging consumer delivery requirements, both now and over the next 20 years. Given the growth we're seeing in online retail logistics, it's important we continue to improve our already extensive national network to make it second to none.

In May this year our Toll NQX Karawatha **site** opened in Queensland. This AUD86 **million** facility is the largest pallet and oversize freight depot we operate anywhere in the world. The depot enables us to load multiple outbound services simultaneously. That has a significant impact on productivity levels while also delivering an improved service for our customers.

This year we also invested over AUD30 **million** in our Gap Ridge facility. This transport hub in Karratha, in Western Australia, includes warehouses, workshops, offices, driver exchanges, as well as transport and logistics support. The aim is for the **site** to act as a hub for the majority of Toll **Group's** business services in the area.

We also opened our Toll Tasmania Brighton depot in June of this year. The AUD24 **million** investment has established our facility as the most modern and efficient transport terminal in Tasmania. The **site**, which is just outside Hobart, handles general and refrigerated freight, as well as warehouse and distribution services, and container storage for both international and domestic shipping.

In really exciting news, I can announce for the first time today that we are planning to progress with the development of a five level, ramp-up warehouse at a prime location in Singapore. This facility, which will be known as Toll City, will form an integral part of Toll's wider Asian strategy to develop and attract high-margin accounts in the retail, consumer, and healthcare sectors. Toll City will provide approximately 100,000 square metres of contemporary, state-of-the-art logistics capacity to markets in Singapore and the immediate region to support Toll Global Logistics' long-term strategy.

Whether on the road, the sea or in the air, Toll's fleet can be found across the globe. Ensuring that our fleet is efficient, safe and environmentally friendly requires strategic investment.

This month saw us unveil the safest and most technologically-advanced fuel tankers in Australia. Our high-tech BA Triple tankers, which can haul up to 90,000 litres in a single trip, incorporate world's best practice in safety systems including in-vehicle monitoring systems, seeing-eye technology, outward-facing cameras that capture details of on-road incidents, real-time satellite tracking, electronic braking systems and anti-roll technology.

The new tankers will transport crude **oil** from Mereenie, in the Northern Territory, to Port Bonython in South Australia, for the leading **oil** and gas producer, Santos.

We were also proud to introduce our Super **B-Doubles** to Singapore which, in fact, saw us become the first and only **company** to be given authority by the Singaporean government to operate these larger vehicles. We trained our Singaporean drivers using the Australian-based state-of-the-art driver simulators which I mentioned earlier.

All of this should give you a sense of our ongoing investment in facilities and in fleet and in equipment technology.

We've also been investing in our information technology. Using technology better is core to our success. Our investment in consolidating our previous 76 websites, each representing a different part of the business to a single **site** that represents the whole **Group** makes us more customer friendly and obviously reduces complexity.

Another important technology project we have been undertaking will enable us to deliver a common online freight-tracking platform for our customers. This single system will provide a seamless global e-commerce experience for Toll customers regardless of the business unit they are interacting with. This project is a major investment in the future and will significantly improve the experience of our customers when they're dealing with Toll.

Of course as well as investing in our physical assets it's critical that we continue to invest in the development of our people. We've really lifted our focus on training our people to be the best that they can be. By way of example our Leadership at Toll program supports our leader development and enhances their leadership skills in building effective teams and employee engagement.

In the past year we've introduced a new Toll **Group** Frontline leader program to support our frontline managers and supervisors to build capability in coaching and managing team performance. In addition we've continued to develop our managers in safety leadership. Over the past two years we've had over 2700 managers across Toll complete our tailored Safety Leadership program. We've continued to develop safety awareness through ongoing skills education and training.

Developing our sales capability has also been high on our people agenda. We focused on strengthening our teams through the development of key account management skills and negotiation skills to build and strengthen our sales teams' performance.

Hopefully that gives you a sense that as well as driving short-term improvements through cost reductions and productivity improvements we haven't lost sight of the need to be investing across all elements of our business to set us up for long-term success.

Finally, in closing, I'd like to make a few comments about how we've been tracking so far in the new financial year and how we see the current business outlook. I think it's fair to say that it has been a tough start to the year with the first quarter weaker than we had expected. We've seen downgrading in a number of sectors but particularly in Government and Defence, **mining** and to a lesser degree, the **energy** sector.

A number of other market sectors have also continued to be challenging with the general macro volatility keeping pressure on both business and consumer confidence which has had a flow on effect to our activity levels.

While still early in the year and with a softer start than we would have liked, at this stage we do continue to expect underlying earnings for financial year 2015 to be ahead of financial year 2014 but we will have to work hard to achieve that given the lack of growth in the external environment. The next few months leading up to Christmas will be critical for our short-term earnings outlook.

On a more positive note, we have continued to make good progress in the areas under our control, with a number of initiatives that will deliver sustainable benefits to the **Group** being well progressed so it's much easier to look at the medium and longer term with confidence. We'll actually be talking more about strategic activities across Toll at our Investor Day to be held next week on Thursday October 30. This will be broadcast live on our website if you are interested.

Again, I thank you for your attention this afternoon and I'll now hand back to Ray.

RAY HORSBURGH: Thanks Brian. To assist with the conduct of the meeting I will now explain the processes for speaking, asking questions and voting on the items of business. Only shareholders, their attorneys, proxies and authorised **Company** representatives are entitled to speak or vote at this meeting.

There will be an opportunity to make comments and ask questions as each item of business is introduced. Please ensure that your questions or comments relate to the specific item of business under consideration. If you have a question or wish to make a comment please approach one of the station points throughout the room and present your green or yellow card to the microphone attendant and give them your name.

When I call for a question from your location you'll be introduced to the meeting by the attendant and it will be then your time to speak. So all shareholders have a reasonable opportunity to be heard it would be appreciated if you would ask one question at a time and limit the question or comment to a few minutes. If you wish to ask more than one question in relation to an item of business please wait until the other speakers have been heard before you again approach the question station.

We will now explain the voting procedure. All valid proxies received by the **Company** have been recorded. All available proxy votes held by me in my capacity as chairman will be voted in favour of each resolution. Each item of business will be considered in turn. Details of each resolution and a summary of proxy votes received by the **Company** will be displayed on the overhead screen behind me.

Given the large number of our shareholders now voting by proxy each resolution put to today's meeting being items 2 to 8 will be determined by a poll. The poll for each item will be conducted in accordance with the directions set out in this document which I now produce, sign and table. Those of you who are voting and wish to review a copy of these directions can obtain a copy from the registration desk located in the foyer.

I'll now call on our **Company** Secretary, Bernard McInerney to explain this polling process.

BERNARD MCINERNEY: Thank you Ray. Miss Megan Walker of Boardroom Proprietary Limited has been appointed to act as the returning officer to conduct today's poll. Megan will take charge of all voting papers at the conclusion of the meeting. Alison Kitchen of KPMG, the auditor of the **Company**, has been appointed to act as the scrutineer for the purposes of the poll.

Only those of you with a green voting card are in fact eligible to vote. If you have any other coloured admission card you are not eligible to vote on any resolution. Shareholders and proxy holders should complete their voting cards which is on the reverse side of the admission card. Any person who believes that they should be entitled to vote but does not in fact have a green voting card should raise their hand now and someone from Boardroom will come and assist you.

Eligible voting shareholders should at the appropriate time place a mark either on the for or the against box against each item from items 2 to 8. If you wish to vote some of your votes for the resolution and some against the resolution, or if you wish to vote only some of your votes on the resolution, you need to specify on the voting card either the number or the percentage of the votes you wish to vote for the resolution and the number or the percentage of the votes against the resolution. If you in fact wish to abstain from voting on a resolution please do not mark the boxes on the voting card at all.

Questions and Answers

EDITOR: (Inaudible - microphone inaccessible)

BERNARD MCINERNEY: Yes, sir.

UNIDENTIFIED AUDIENCE MEMBER: I believed I posted in my proxy but nonetheless I was given a green voting card so I'm confused as to whether my proxy stands or whether I should vote again.

The second question is if I just heard the Chairman correctly he said he would direct his votes in favour -- the votes, the proxies he had in favour of the motion but what if there were some proxies sent in opposing, isn't the chairman obliged to vote as directed by the shareholder?

BERNARD MCINERNEY: Thank you for your enquiries. First on the first point if I could have someone from Boardroom Proprietary Limited assist this gentleman in relation to his registration could they please approach him and sort that out.

In relation to the second matter, most certainly you are correct. The Chairman is able to vote only or choose to vote only on the open proxies. If he has in fact had a directed proxy vote then he is bound to be able to in fact issue those proxy votes for or against the relevant resolution. Are you okay for me to proceed, sir?

UNIDENTIFIED AUDIENCE MEMBER: Yes.

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BERNARD MCINERNEY: I'm sure that we'll handle your first query and if there's a problem there we'll sort that for you. Proxy holders who have a summary of their proxy votes available to them, it is attached, in fact, to their voting card. As I've just indicated if you've been directed on how to cast those votes then you, as a proxy holder, a corporate representative or an attorney then you can only vote those in accordance with those directions.

By completing and lodging a voting card you will be taken to have voted in accordance with those directions. Whether or not you in fact mark it differently the proxy vote will be as directed. At the appropriate time obviously we will be asking you to print your name and sign the voting card.

The proxy holders should print your name and ensure that they're on the proxy holder card as well. Boardroom staff around the room will have pens available if you require them and if you are uncertain about any of the voting procedures please raise your hand now if there are any other queries and one of Boardroom staff will in fact assist you. I will now hand back the meeting to Ray. Thank you.

RAY HORSBURGH: Thank you Bernard. I now declare the poll open in all respects of the items of business. If you need to leave early, prior to leaving you can vote by completing your voting card and

placing it in one of the ballot boxes near the exit. You may complete your voting card at any time from now until the close of the poll. There will be time for discussion of each item of business so I encourage you to cast your vote on each resolution after hearing the discussion on that item.

In order for you to vote -- in order for your vote to be counted you must place your completed voting cards in one of the ballot boxes before you leave. This also applies to proxy holders. The returning officer will advise me when the vote appears to have concluded and I will then announce that the poll has closed. The results of the poll will be released to the ASX and will also be posted on our website.

Item 1 of business, the accounts. We will now move to this first item of formal business which is the receipt and consideration of the **Company's** annual financial report. I put to the meeting the financial statements of the **Company** and its controlled entities for the year ended June 30, 2014 and the related operational and financial review, directors' report and auditor's report.

Whilst there is no vote on this item of business this is an opportunity for shareholders to ask questions regarding the **operations**, management and accounts of the **Company**. As I mentioned Miss Alison Kitchen of KPMG is in attendance representing our auditor and Alison is available to answer any questions regarding the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the **Company** in relation to the preparation of the financial statements and the independence of the auditors.

I ask shareholders to note that the preparation and content of the financial report is the responsibility of the directors and therefore if I consider the directors would more appropriately address any question to the auditor I will do that accordingly.

As mentioned earlier if you have a question or wish to make a comment on this item of business please approach one of the question stations, present your green or yellow admission card to the microphone attendant, give your name to the attendant. The attendant will then announce your name to the meeting when it's your turn to speak. Are there any questions?

OPERATOR: Mr. Chairman. Number 3, may I introduce Russell Smith.

RUSSELL SMITH, SHAREHOLDER: I've been a shareholder for decades since the original shareholders' meeting that Paul Little called in Collins Street asking for the first round of funds to form the **Company**.

BERNARD MCINERNEY: Right.

RUSSELL SMITH: And a proud shareholder. I'm a fellow of the Australian Institute of **Company** Directors.

Mr. Chairman, is it consistent with Toll's values and ethics that a **Company** executive could publicly advocate for Australia's most hated road project, the East West Link, when that project hasn't had -- that announcement had no qualifiers and this is especially when the designs are three storeys high without noise attenuation barriers to protect trucks from complaints. There's some 200,000 residents in the inner suburbs of Melbourne will be affected by noise from the project and by widening of Tullamarine Freeway, the related project up to 14 lanes wide at the widest point.

Does Toll really want to align itself publicly with these projects that do not have a transparent business case? It's a sham community consultation process and the government minister's ignored the recommendations of their own panels. They made last minute changes with narrowing of all the lanes which will make it even more dangerous for trucks. Does Toll really want truck tolls to be increased to pay for these excessive costs for more than 34 years?

Mr. Chairman I wrote to you some six weeks ago, copy Brian Kruger, with these concerns and I've not had the courtesy of a reply and I'm disappointed because I'd written to Paul Little over the many years about half a dozen times and I always received the courtesy of a response within two weeks.

RAY HORSBURGH: Thank you for that. I'm sorry but I don't recall or I haven't received the letter. I'll certainly follow that up because we certainly reply if the letter is received.

RUSSELL SMITH: (Inaudible - microphone inaccessible).

RAY HORSBURGH: Sorry? Right, well I'll follow that up. I apologise because I have not seen it.

RUSSELL SMITH: (Inaudible - microphone inaccessible).

RAY HORSBURGH: Yes, I will. Toll is vitally interested in productivity and better road services and as Brian said in his speech, in safety. But I regard that it's a government matter to look at the functions that are required for the infrastructure and road services and we want to see better systems and better productivity and Brian will add some comments on the work that he's done.

BRIAN KRUGER: Mr. Smith I know the comments you're referring to which I made a few weeks ago supporting East West. I understand there are arguments for and against the project. The point that the Chairman just made around the impact of lack of infrastructure investment on our business is absolutely critical.

I can tell you that road congestion around the country, not just in Melbourne, costs us many **millions** of dollars a year. One of the other key points though that I added when I was talking about the East West Link project specifically is the need for business to have certainty around these infrastructure investments. The current government has made a decision to commit to East West Link and I understand there are arguments for and against.

When we made the decision to make one of the investments which I spoke about in my presentation, that investment out at Tullamarine, it was predicated on that investment going ahead. We did a lot of work around where was the best spot to put that particular facility and based off the back of the government making a commitment to the East West project. Yes we support it, it will decrease road congestion.

We've made decisions off the back of that commitment from the current government. That certainty -- the lack of certainty and the potential uncertainty about East West Link I can tell you will have a huge impact on business confidence not just for Toll but for many other investors. We need to be able to rely on these decisions that are made by government.

RAY HORSBURGH: Thanks. I do apologise for that letter but we'll follow that up. Are there any other questions or comments? Station 2.

OPERATOR: Mr. Chairman, may I introduce Mr. Graham Walker.

RAY HORSBURGH: Good afternoon, Graham.

GRAHAM WALKER, SPOKESPERSON, AUSTRALIAN SHAREHOLDERS' ASSOCIATION: Good afternoon, Mr. Chairman. By way of introduction I represent the Australian Shareholders' Association which is an independent, not-for-profit, member-funded organisation focused on the performance and governance of ASX200 companies. Today I hold proxies representing approximately 1.8 **million** shares.

While Toll's revenue has again been flat it is pleasing to see that the once loss making **operations** of Global Forwarding and Footworks in Japan have effectively broken even, largely as a result of cost savings from Project Forward and others with the promise of more savings to come.

Could you please confirm the expected level of cost savings for the 2014-2015 year and whether the quarter just passed has seen those on target?

RAY HORSBURGH: Brian?

BRIAN KRUGER: Thank you for the question. When we did our full year results release we spoke about some of the restructuring work that we did towards the end of last year, I mentioned it earlier. The expected savings from that restructuring that we did towards the end of last year we have articulated as AUD40 **million** to AUD50 **million** to occur in fiscal 2015 so in the current financial year, that's across the **Group** and yes we are on track with delivering those savings.

There are a number of other initiatives going on around the **Group** other than just the savings we'll get from that restructuring, whether that's savings from capital expenditure, procurement, continuous improvement programs and the like. We do expect the savings across the **Group** to be materially in excess of that AUD40 **million** to AUD50 **million**. We haven't quantified that publicly at the moment though.

presentation

RAY HORSBURGH: Thank you. Thank you, Graham. Are there any other questions?

As there are no more questions on item 1 we will now consider the next item of business which is the remuneration report. Item 2 concerns the consideration and adoption of the **Company's** remuneration report for the year ended June 30, 2014. The vote on the remuneration report is non-binding and advisory only, however the **Board** will have regards to the discussions of this item and the outcome of the vote when considering the **Company's** future remuneration framework.

The remuneration report is found on pages 35 to 55 of the annual financial report which was released to the ASX on August 19, 2014 and is available on the **Company's** website. It is also available in our annual report on the **Company's** website.

Before I ask for questions and comments on the remuneration report I would like to invite our chairman of the remuneration committee, Mr. Harry Boon to speak briefly about Toll's remuneration policies, strategy and framework. Harry.

HARRY BOON: Thank you Ray and good afternoon ladies and gentlemen. Toll's **Board** takes the topic of remuneration very seriously and the remuneration committee has had an active agenda over the past 12 months. Our goal is to ensure we provide a market competitive remuneration structure that motivates our people to create long-term shareholder value. The performance measures we've adopted help us to drive shareholder value and to reward to excellent performance by our executives.

Frankly, it can be quite challenging to get the balance right between attracting and retaining the best people in the industry on the one hand while also aligning remuneration with shareholder value creation on the other hand. As we've reported previously we believe our remuneration structure is fair and will over the time deliver improved performance for all stakeholders.

In seeking to meet these objectives our priorities for financial year 2014 included firstly to better reflect the **Company's** current direction under Brian's leadership and to further link our remuneration framework with shareholder value creation we increased the importance of return on investment measures in both our short-term and our long-term incentive plans.

Secondly to ensure that remuneration incentives demanded a truly superior performance we applied even greater differentiation between the basic threshold and the stretch levels of performance under the short-term incentive scorecards that we use.

Another example of the committee's determination to bring closer alignment between the remuneration of our senior executives and our shareholders' interests is that financial year 2014 was the first year where 25% of senior management short-term incentive was paid in the form of **equity** rather than cash and was restricted until the end of the subsequent financial year.

Finally to ensure that our remuneration framework remains up to date with current trends the committee conducted a major review which included detailed assessment of available alternative remuneration frameworks. We recognised significant merit in some of the alternative frameworks that were available and we're now undertaking additional analysis with a view to further updating our own framework at the appropriate time.

All these measures help us drive shareholder value while rewarding excellent performance by our executives. As we've reported previously we believe our remuneration structure is fair and will over time deliver improved performance for all stakeholders.

In relation to our long-term incentive plan I should mention in passing before going onto the short-term incentive plan that in financial year 2014 as for several years now there's been no payment at all under our long-term incentive plan. While we recognise that the long-term incentive's capacity to motivate executives is diminished when performance hurdles and payments are not achieved, our view remains that the long-term incentive is still meeting its purpose of appropriately aligning the interests of executives with shareholder value creation.

One long-term incentive issue that is being discussed with many listed companies now relates to whether the fair value or the face value of underlying shares should be used when granting long-term incentive rights to participants in the plan. The remuneration committee understands the reasons some advisors have raised this issue.

Each year we review the design of our long-term incentive plan. Accordingly as part of next year's review we will consider the appropriate value to use when awarding future long-term incentive grants in the context of our broader approach to the granting of rights under the plan.

Turning to short-term incentives. In determining the short-term incentive awards for the managing director and his senior executives, the **Board** considered the financial impact of individually significant items in the accounts which related to restructuring costs and profits from the **sale** of business and **property**.

These individually significant items were both positive and negative with an overall negative impact on **Group** profit. Having regard to the nature of these significant items the committee recommended that they be fully included in the calculations when determining the results for our **Group** financial measures.

This resulted in a **Group** net profit after tax which was below our internal target but above the basic threshold level that the committee had set. Accordingly the **Board** awarded executives around half of the potential short-term incentive opportunity for this measure of **Group** financial performance.

Another measure was **Group** return on invested capital where the target was achieved and 100% was paid out for this portion of the short-term incentive. Ray and Brian have already reported on the proactive approach the **Company** is taking to safety and we anticipate that this will translate into further improvements in our safety results in the coming year.

In financial year 2014 while we did see a reduction in the **Group** lost time injury frequency rate the reduction was not at the demanding improvement level set by the **Board** therefore no short-term incentive was awarded in relation to **Group** safety results.

This was the first time in several years that the targeted improvement in **Group** safety was not achieved and we look forward to significant improvements in financial year 2015 and beyond.

Finally, before moving to our plans for financial year 2015, I can report that following the usual annual review of market conditions, the **Board** has determined that there are no increases in directors' fees this year. Looking ahead, we believe that the current remuneration practices and plan designs we have are appropriate to assist in galvanising the newly restructured organisation to achieve our medium to long-term goals.

And in closing this overview I'd like to acknowledge and thank my fellow members of the remuneration committee, Barry Cusack and Frank Ford, thank you, as well as our **Group** Remuneration and Reward Manager, Lisa Casey, thank you Lisa, for their hard work and dedication on these many and other issues during the past year. Thank you also, ladies and gentlemen, for your patience today and I'll now pass you back to our Chairman.

RAY HORSBURGH: Thank you Harry. I now invite shareholders to raise any questions or comments on this item of business and the Chairman of the Remuneration Committee, Mr. Harry Boon, will respond.

Again, if you wish to ask questions, please approach one of the question stations throughout the room and if you have a question or comment regarding the proposed grants of **equity** to Brian Kruger, I ask that you wait until we consider items 6 and 7 of business. Any questions, thank you.

OPERATOR: Mr. Chairman, may I introduce Graham Walker.

RAY HORSBURGH: Thank you Graham.

GRAHAM WALKER: Thank you Mr. Chairman. Mr. Chairman, there were two points I wanted to make about the remuneration report; one about the structure of the plan and the other about director **equity** holdings, but I'll pause after the first if (inaudible).

Over many years the ASA has held that remuneration plans should be transparent and structured to encourage the creation of long-term shareholder value, to discourage excessive risk taking and short-term business opportunism, and to align **Company** performance, executive rewards and shareholder outcomes.

Despite sometimes strident opposition, gradually corporate plans have moved closer to our views as short-term incentives, STIs, are less often paid only in cash; **equity** deferrals are more common. **Company** loans to pay for LTI benefits are largely eliminated, retesting of performance hurdles is less common and the qualifying period for LTI awards are lengthening.

Toll too has brought its plans closer to our policies; a deferred **equity** component has been added to the short term incentive, as Mr. Boon has indicated, with greater weighting towards financial outcomes and STIs are scaled back at times of poor performance.

There are two performance hurdles for the long term incentive assessment, of which TSR is one and retesting of LTIs has been eliminated. The complete review of the remuneration plan was announced at last year's AGM, when we asked the **Board** to address a major point of departure from our policy, namely that LTIs vest after three years with no deferral. We advocate four years minimum with a deferral period.

While we continue to advocate for longer LTI assessment periods, we accept Toll's decision to retain the current LTI structure and on balance, considering the incremental improvements made to the plan over years, we will vote undirected proxies in favour of the remuneration report. In the interests of brevity I advise that we will also vote undirected proxies in favour of related items 6 and 7.

In relation to the matter of the calculation of LTI quantity, I'd like to make it known that the ASA prefers the face value calculation rather than the fair value.

RAY HORSBURGH: We note that, thank you. Thanks for those comments, Graham.

GRAHAM WALKER: If I may make the second point. The second matter relates to director **equity** holdings. We believe that non-executive directors should have alignment with shareholders through meaningful investment in the **Company**.

While excessive investment could be said to be an impediment to true independence, our policy introduced this year is that directors should hold or require at least the equivalent of one year's worth of **Board** fees in ordinary **Company** shares over a three year period term on the **Board**.

We note that some director shareholdings fall short of this target. Does the **Board** have or expect to develop a policy in regard to director shareholdings?

RAY HORSBURGH: We don't yet have a policy on it, but it's certainly a matter of discussion and something we've taken note of. I think it's a well-made point and it's something we are discussing, Mr. Walker. Thank you.

Any other questions? Sorry, I thought someone was approaching the stand.

presentation

RAY HORSBURGH: Given there are no further questions on this item, I now put to the meeting the resolution that the remuneration report be adopted. The proxy votes for this resolution will now be displayed on the screen behind me. As previously indicated, voting on this resolution is being conducted by way of poll. Please complete your voting card in relation to this item.

I'll now ask Brian to take the chair for the next item of business.

BRIAN KRUGER: Thanks Ray. Item 3 relates to the re-election of Mr. Ray Horsburgh as a director. I refer shareholders to the notice of meeting and explanatory memorandum and take them as being read. Ray was appointed as the Chairman of the **Company** on September 14, 2007. He's been a Non-Executive Director since 2004.

Ray is also an ex officio member of all of the **Board's** committees. Additional information regarding Ray's qualifications and background is contained in the annual report and the explanatory memorandum accompanying the notice of meeting.

In recommending Ray's re-election, the **Board** took into account his performance, skills and experience and his length of time served as a director of the **Company**. The **Board** believes that Ray continues to bring valuable experience and expertise to the **Board** and considers him to be an independent director. Personally, I fully support Ray's re-election and I know that he has the full support of the **Board**. I'll now invite Ray to address the meeting.

RAY HORSBURGH: Thanks Brian for those kind words. As I said in my Chairman's address today, if elected this will be my last term on the Toll **Board**. Being Chairman since 2007 has been an enormous honour for me and I'm delighted to be able to point to a more modern, better integrated and customer-focused **company** today than we have ever seen before.

The **Board** and senior management continue to work hard, taking some really difficult decisions to make sure Toll has an even brighter future ahead as global markets recover. It is in this context that I'll be looking for a replacement Chairman. I will be considering strong internal and external candidates for this role.

Toll is a complex and challenging **company**. It's an industry leader in a vital sector of the economy. It has a fantastic culture, the many employees I speak to, truck drivers, warehouse workers and many others are really proud to work for this leading **company**, and I'll looking forward to making the most of my time with Toll in this term, and if re-elected today, commit myself to challenging -- to meet the challenges in the future that the **Board** faces and to ensure the **Company** is better and stronger when we leave than when we arrived. Thank you.

BRIAN KRUGER: Okay, can I now ask whether there are any questions or comments on this item of business? Lectern 2.

OPERATOR: Yes, Mr. Chairman, may I introduce Mr. Graham Walker.

GRAHAM WALKER: Thank you. Mr. Chairman, the ASA policy limits non-executive directors to five unrelated listed **company** boards, where a chairmanship counts as two. Unlisted companies are considered individually. Mr. Horsburgh, as Chairperson of three **company** boards including Toll, technically exceeds our limits.

We suspect, however, that given the size of the companies and Mr. Horsburgh's familiarity with them, that the additional workload is less than the **Board** position count suggests. In accordance, we will vote

undirected proxies in favour of the election of Mr. Horsburgh. However, we'd be interested to know what limits the **Board** places on external commitments of its members.

BRIAN KRUGER: That's probably a more general one for you, Ray.

RAY HORSBURGH: We don't have a formal limit, but we are aware of your rules that a Chair is equivalent to a number of other boards, but we really take into account the contribution that each director's making and their availability and the skill level they bring to the **Board**. In my experience on the **Board**, we've had tremendous attendance by all of our directors, they're always available and commit the time that's necessary to ensure that the shareholders are represented.

GRAHAM WALKER: Thank you Mr. Chairman.

presentation

BRIAN KRUGER: Thanks Mr. Walker. Okay, if there are no further questions, I now put to the meeting the resolution that Ray, being a director of the **Company** who retires in accordance with rule 8.1(d) of the **Company's** constitution and being eligible be re-elected as a director of the **Company**. The proxy votes for this resolution will now be displayed on the screen behind me.

As previously indicated, voting on this resolution is being conducted by way of poll. So please complete your voting card in relation to this item. I'll now hand back to Ray.

RAY HORSBURGH: Thank you. Item 4 relates to the re-election of Mr. Frank Ford as a director. Frank was appointed to the **Board** on January 14, 2008 as a Non-Executive Director.

Frank has extensive experience as a professional advisor, specialising in taxation. Frank's previous roles, responsibilities and directorships include a number of senior positions with Deloitte. Frank is also Non-Executive Director of Citigroup and a Non-Executive Director of Nufarm. Frank also spent time formerly as the Non-Executive Director of Manassen Foods **Group**. Additional information regarding Frank's qualifications and background is contained in the annual report and the explanatory memorandum accompanying the notice of meeting.

Frank is the Chairman of our Audit and Risk Committee, a member of the Nomination and Corporate Governance Committee and a member of the Remuneration Committee. In recommending Frank's re-election the **Board** took into account Frank's performance, skills and experience and the **Board** considers Frank to be an independent director. Frank's re-election has the **Board's** full support and he will be welcomed back if successful, and I will now invite Frank to address the meeting.

FRANK FORD: Thank you Ray, good afternoon ladies and gentlemen. Thank you for the opportunity to speak to you today. As you are aware, Toll is a complex multinational organisation employing 40,000 people in 50 countries and at 1200 sites. It's a privilege to be a director of Toll and I get a sense of pride when I see those green trucks and vans going around our highways; it seems to be a hell of a lot of them.

My prior experience at a global level and current directorships give me a good insight in how to manage, understand and implement governance processes and provide risk oversight in quite diverse organisations across multi-jurisdictions, and to be aware of what is seen as cutting edge in the risk universe.

Clearly tone at the top, not just in words but in the actions of the **Board** and the **Board** committees is vitally important in demonstrating our risk appetite. How we manage and mitigate all areas of risks in the interests of all shareholders is what keeps me awake at night.

It's also important that non-executive directors understand, support and challenge where appropriate the strategic focus and direction of Toll over short and longer term horizons. I've had a long-term interest and involvement in the development and successful implementation of strategy and I'm vitally interested in this part of Toll's journey.

Finally, it is important for me to be part of a **board** with a diverse range of complementary skills that is collegiate but able to question and engage in robust but healthy debate. This ensures that shareholders, and indeed all stakeholders' interests are protected and thoughtfully considered.

I enjoy the sense of fellowship that the Toll **Board** offers, as well as the many challenges we face and I look forward to continuing to serve you with care and diligence over the next three years. Thank you.

RAY HORSBURGH: Thanks Frank. Are there any questions or comments on this item of business? None, no questions? Thank you. As there are no further questions, I now put to the meeting the resolution that Frank Ford, being a director of the **Company** who retires in accordance with rule 8.1(d) of the **Company's** constitution and being eligible, be re-elected as a director of the **Company**.

The proxy notes for this resolution will now be displayed on the screen behind me and as previously indicated, voting on this resolution is being conducted by way of poll. So please complete your voting card in relation to this item. Thank you.

Item 5 is the re-election of Ms. Nicola Wakefield Evans as a director. In 2011 the **Board** recognised the opportunity to deepen its expertise across the Asian region and therefore in May 2011 appointed Nicola as a Non-Executive Director. She brings extensive experience following years of working professionally with leading companies across the region.

Nicola's background as a mergers and acquisitions and **equity** capital markets lawyer and in management of a professional services **firm**, has been an enormously valuable addition to the **Board**. Nicola was a partner of King and Wood Mallesons until September 2013. She's also a Non-Executive Director of BUPA, Lend Lease, Macquarie **Group**, Macquarie Bank.

Additional information regarding Nicola's qualifications and background is contained in the annual report and the explanatory memorandum accompanying the notice of meeting. Nicola is a member of the Audit and Risk Committee, the Nomination and Corporate Governance Committee and the Occupational Health and Safety and Environment Committee.

In recommending Nicola's re-election the **Board** took into account Nicola's performance and the skills and experience she brings to our **Board**. The **Board** considers Nicola to be an independent director. Nicola's re-election has the **Board's** full support and she'd be welcomed back if successful, and I'll now invite Nicola to address the meeting.

NICOLA WAKEFIELD EVANS: Thank you Ray, good afternoon ladies and gentlemen. Ray has spoken to you about my qualifications and experience and the value I bring to the **Board** from his perspective. I wanted to take a moment to talk to you about why I'm putting myself forward to you today.

I enjoy being involved with Toll, it is a really interesting **company** with a great culture and great people from all walks of life, working together to make a difference to our community day in and day out. When I talk about this **Company** I say that every day, each one of us will eat or touch something delivered by Toll.

I'm passionate about how the **Company** continues to integrate its various businesses, the One Toll journey that we are on. Toll also has a deep engagement with Asia, especially **China**, and I feel I have a valuable perspective of doing business in the region that is useful for Toll in those markets.

I can assure shareholders that I am fully committed to the role I play and I have adequate time to fulfil my **Board** and **Board** committee responsibilities. I look forward to the opportunity to continue to represent Toll shareholders if elected today. Thank you.

RAY HORSBURGH: Thanks Nicky. Are there any questions or comments on this item of business?

OPERATOR: Mr. Chairman, may I introduce Mr. Graham Walker?

RAY HORSBURGH: Thanks Graham.

GRAHAM WALKER: Thank you. Mr. Chairman, Ms. Wakefield Evans is fully committed according to our policy of being a Non-Executive Director of five companies including Toll and in this count we have included BUPA because of its size, and we suspect that the additional workload is more than the **Board** position count suggests. Does Ms. Wakefield Evans intend to increase significantly her external commitments over her forthcoming term at Toll's **Board**?

RAY HORSBURGH: I'll ask Nicola. I don't know.

NICOLA WAKEFIELD EVANS: Thank you, no I don't intend to significantly increase my commitments.

RAY HORSBURGH: I can say that Nicola contributes greatly to our **Board** and is always available and spends the time that is needed to represent shareholders properly.

GRAHAM WALKER: Thank you for both your answers. To advise that we will direct -- will vote undirected proxies in favour of the election of Ms. Wakefield Evans. Thank you.

presentation

RAY HORSBURGH: Thanks Graham. Are there any other questions? As there are no further questions I now put to the meeting the resolution that Nicola, being a director of the **Company** who retires in accordance with rule 8.1(d) of the **Company's** constitution and being eligible, be re-elected as a director of the **Company**.

The proxy votes for this resolution will now be displayed on the screen behind me and as previously indicated, voting on this resolution is being conducted by way of poll, and please complete your voting card in relation to this item. Thank you.

Item 6 relates to the proposed grant of long-term incentive options and rights to the Managing Director, Mr. Brian Kruger, under the senior executive option and rights plan. An explanation of the principle terms of the proposed grant can be found in the explanatory memorandum accompanying the notice of meeting. Are there any questions or comments on this item of business? No, thank you.

As there are no questions, I now put to the meeting the resolution that approval be given for the purposes of the ASX listing rule 10.14 and all other purposes to the grant of 1,226,974 options with an exercise price of AUD5.70 and 286,043 rights with a zero exercise price to Brian under the senior executive option and rights plan, or any successor or amended plan, on the terms summarised in the explanatory memorandum accompanying this notice of meeting.

The proxy votes for this resolution will now be displayed on the screen behind me and as previously indicated, voting on this resolution is being conducted by way of poll. Please complete your voting card in relation to this item.

Item 7 relates to the proposed grant of deferred short-term incentive rights to the Managing Director, Mr. Brian Kruger, under the senior executive option and rights plan. The **Board** has determined that 25% of Brian's short-term incentive award for the 2014 financial year should be deferred into rights for a period of 12 months.

During this period a dealing restriction will apply to his rights and he will not be entitled to any dividends or voting rights. An explanation of the principle terms of the proposed grant can be found in the explanatory memorandum accompanying the notice of meeting. Do we have any questions or comments on this item of business?

No. As there are no further questions, I am pleased to now put to the meeting the resolution that approval be given for the purposes of ASX listing rule 10.14 and all other purposes to the grant of 64,844 rights to Brian under the senior executive option and rights plan, or any successor or amended plan, on the terms summarised in the explanatory memorandum accompanying the notice of meeting.

The proxy votes for this resolution will be displayed on the screen behind me. As previously indicated, voting on this resolution is conducted by way of poll, so please complete your voting card in relation to this item.

Item 8 relates to the renewal of proportional takeover approval provisions. The constitution of the **Company** at rule 6 includes proportional takeover approval provisions which enable the **Company** to refuse to register shares acquired under a proportional takeover bid, unless a resolution is passed by the shareholders in general meeting approving the offer.

Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may be renewed. The provisions contained in the **Company's** constitution therefore cease to apply unless renewed on October 27, 2014. The **Company** is seeking shareholder approval to renew these provisions in accordance with the Corporations Act.

As a consequence, the Corporations Act requires the **Company** to provide shareholders with an explanation of the proportional takeover approval provisions. An explanation of the provisions can be found in the explanatory memorandum accompanying this notice of meeting. Are there any questions or comments on this item of business?

As there are no further questions, I now put to the meeting the resolution that the proportional takeover approval provisions contained in rule 6.4 of the constitution be renewed for a further three years, commencing from the date of this annual general meeting. The proxy votes for this resolution will now be displayed on the screen behind me, and as previously indicated, voting on this resolution is being conducted by way of poll. Please complete your voting card in relation to this item.

Ladies and gentlemen, now that we've completed the formal business of the meeting, I will give you a couple of minutes to complete your voting card. Please remain seated. Does anybody have any trouble, or not completed their card?

Thank you. It appears that the voting process has been completed. I will now declare the poll in relation to items 2 to 8 as closed. And as mentioned earlier, in order for your vote to be counted, you must place it in -- your completed voting card in one of the ballot boxes as you leave the meeting. The results of the poll will be released to the ASX and will also be posted on our website.

That concludes the meeting businesses for today. We thank you for your attendance and participation and I declare this annual general meeting of Toll Holdings Limited closed and invite you to join us, the directors and executives, for refreshments in the foyer. Thanks very much for your attendance.

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