



# **BrisConnections Investment Trust and BrisConnections Holding Trust**

## **Scheme Compliance Committee Charter**

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## Document Control Sheet

### Document Contacts

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### Version History

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# 1 Background

## 1.1 Purpose

This document defines the principles set by the Board for the composition, authority, responsibilities and administration of the Scheme Compliance Committee

## 1.2 Scope

This document governs all activities of the Committee.

## 1.3 Distribution

### 1.3.1 Audience

The following people/organisations have an interest in this document as nominated:

Person / Organisation	Intended Purpose
<b>BrisConnections Directors and employees</b>	Action
<b>Investors</b>	Noting

### 1.3.2 Restrictions on Distribution

This document is Public.

PUBLIC documents are intended for anyone.

## 1.4 Project Information

BrisConnections Management Company Limited (**BCMCL**) is the responsible entity of the BrisConnections Investment Trust (**BCIT**) and the BrisConnections Holding Trust (**BCHT**). Units in BCIT and BCHT are stapled and quoted on ASX as BrisConnections Unit Trusts (ASX code BCS) (**BrisConnections Group**).

BrisConnections has been awarded a 45 year concession to design, construct, operate, maintain and finance the Airport Link tollroad in Brisbane. Airport Link is a 6.7 kilometre multi-lane electronic free-flow tollroad with dual 5.7 kilometre tunnels. Upon completion, Airport Link will operate as a multi-destinational road connecting Brisbane's northern suburbs with Brisbane's CBD and Brisbane Airport, the CLEM7 Tunnel and the Inner City Bypass. It will also serve as a key distribution road, connecting some of Brisbane's major destinations such as Brisbane Airport, the CBD, Royal Brisbane Hospital, Australia TradeCoast and Chermside Shopping Centre.

Airport Link is being constructed using a world class, innovative design solution, with connections avoiding intersection delays and streamlining traffic flows. Lane configuration will provide for separate traffic movements, with early decision points, to minimise traffic weaving and merging.

Airport Link is being built around an electronic free-flow tolling design. Electronic free-flow tolling is mandatory across all Queensland tollroads and Airport Link tags will be fully interoperable with other Queensland and Australian tollroads.

BrisConnections is also designing and constructing a portion of the Northern Busway between Windsor and Kedron and an upgrade of the East-West Arterial / Airport Drive / Gateway Motorway interchange at Brisbane Airport, both of which are funded by the Queensland Government. BrisConnections will not receive any revenue from these projects and they will both be handed over to the Queensland Government upon commissioning.

BrisConnections operates under a Concession Deed with the State of Queensland to finance, design, construct, commission, operate and maintain Airport Link as a toll road until 2053.

BCIT and BCHT were registered as managed investment schemes by ASIC on 29 May 2008. On 30 July 2008, the BrisConnections Group was listed on the ASX and it commenced trading on 31 July 2008.

BCMCL has delegated management of the day-to-day business affairs of BCIT and BCHT to BrisConnections Operations Pty Ltd, which is wholly owned by BCHT.

The respective compositions of the boards of all companies in the BrisConnections Group are identical unless the Board resolves otherwise in a particular case.

## 1.5 Definitions

Term	Meaning
BCS	BrisConnections

## 1.6 References

Ref ID	Document No	Document Title
[Ref-01]	BC-GL-CHA-CG-0003	BrisConnections' Board Charter
[Ref-02]	N/A	Corporations Act 2001 (Cth)
[Ref-03]	BC-GL-POL-CG-0001	BrisConnections' Code of Conduct
[Ref-04]	BC-GL-POL-CG-0002	BrisConnections' Conflict of Interest and Related Party Policy
[Ref-05]		BCIT Compliance Plan
[Ref-06]		BCHT Compliance Plan
[Ref-07]		AFSL 322275

## 2 Introduction

The Corporations Act (**the Act**) provides that each responsible entity of a managed investment scheme (**scheme**), to meet its compliance responsibilities, must either have a Board of Directors at least half of whom are “external” directors, or establish a compliance committee for each scheme it operates.

As the majority of the Directors on BCMCL (**Responsible Entity**) are external Directors there is no statutory requirement for an independent Compliance Committee to be established under s601JA of the Act. However, the Board places a strong emphasis on compliance and has established a compliance committee under s601JA that operates under the following charter.

While the Board has established the Compliance Committee to specifically deal with the issue of compliance, all Board members still bear the ultimate responsibility for compliance with the Act.

## 3 Role

### 3.1 Support Role of the Board

The role of the Scheme Compliance Committee (**Committee**) is to help the Board in performing its role. The Committee is accountable to the Board for its performance.

The primary role of the Committee is to monitor compliance of each Scheme’s Compliance Plan (**Plan**) and to report on the Committee’s findings to the Board of BCMCL (**the Board**).

This charter sets out how the Committee will perform its role.

### 3.2 Areas of focus

The areas of focus for the Compliance Committee are set out in Section 601JC of the Act, being:

- to assess at regular intervals whether the Compliance Plan is adequate to ensure compliance with the Act and the schemes’ constitution; and
- to monitor to what extent the Responsible Entity complies with the schemes’ Compliance Plan and to report to the Board on their findings.

Without limiting the matters the Compliance Committee may wish to report to the Board, the Compliance Committee must report to the Board any breach of the Act, the schemes’ Constitutions and Compliance Plans of which the Compliance Committee becomes aware of or suspects. Further the Compliance Committee must report to ASIC if the Committee is of the view that the Responsible Entity has not taken, or does not propose to take, appropriate action to deal with any matter reported.

The Compliance Committee is responsible for reviewing all amendments to the Compliance Plan, prior to approval by the Board and registration with ASIC.

The Schemes for which the Committee has been constituted are set out in Appendix A. Changes to Appendix A shall be made by consent to a notice to the Scheme Compliance Committee.

The Committee may investigate any activity within its areas of focus.

### 3.3 Role

Except to the extent that this Charter provides for more extensive powers, the Committee's role is to report to the Board on the Committee's activities, and to recommend to the Board appropriate actions arising from the Committee's activities.

## 4 Functions

The responsibilities and authority of the Committee will be to:

- monitor to what extent BCMCL complies with each Plan and report on these findings to the Board;
- monitor and report to the Board on any breach of the Corporations Act involving the Schemes, or any breach of the provisions of a Scheme's Constitution of which the Committee becomes aware or suspects;
- report to ASIC if the Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported above;
- assess the adequacy of the Plans at regular intervals and report on the assessment to the Board, and make recommendations about any changes to be made to the Plans;
- monitor compliance with the responsible entity licence requirements;
- carry out any other functions that the Corporations Act may require of such a Committee; and
- carry out any other functions that the Board may delegate to it from time to time.

## 5 Specific Activities

The Committee will:

- Receive quarterly reports on compliance obligations for each Plan;
- Receive reports on agreed standards for all agents conducting Scheme activities;
- Conduct an annual review of each Plan is conducted and assess the adequacy of the compliance process;
- Review the audit reports of the Plans which are audited by 30 September each year ;
- Make recommendations to the Board for any changes required to the Plans;
- Undertake regular review of all Scheme compliance processes;
- Review the terms of engagement of the Compliance Plan Auditor appointed pursuant to s601HG of the Corporations Act and recommend them to the Board;
- Review fee proposals by the Compliance Plan Auditor for Plan audits for reasonableness; and
- Receive a report from the Compliance Plan Auditor on the findings of Plan audits conducted.

The Committee will review an annual schedule of agenda items to be considered throughout the year that will identify the people involved in providing the relevant reports and matters to be covered in the reports.

The Committee will report to the Board on its activities at least four times per year, usually at the next Board meeting following a Committee meeting.

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## 6 Powers / duties

In carrying out its functions:

- members of the Committee must act in accordance with the duties prescribed in Part 5C.5 of the Corporations Act (section 601JD), including the duty to act honestly, exercise the degree of care and diligence that a reasonable person would exercise if they were in the Committee member's position, not misuse their position as a member or information acquired through being a member, and take all reasonable steps to assist ASIC in carrying out its investigations;
- the Committee is to be provided with adequate resources and authority to discharge its responsibilities and may commission independent legal, accounting or other professional assistance with the general expectation that the CEO (or Chairman in the absence of the CEO) will have prior consultation on the matter and approval of the expense;
- the Committee is to have access to relevant information and records including, Scheme accounting records and to the auditor of Scheme financial statements;
- the Committee is to have access to information that is relevant to BCMCL's compliance with the Corporations Act; and
- a member of the Committee must disclose to the Committee any direct or indirect pecuniary interest they have in any matter being considered, if such interest could conflict with the proper performance of their duties in relation to consideration of the matter.

## 7 Membership

The Committee will consist of at least 3 Directors with a majority of external members (as defined in the Corporations Act).

The Chairman of the Committee will be an independent Director and will not be the Chairman of the Board unless the Board, comprising a majority of independent directors, fulfils the role of the Committee, in which case the Chairman of the Board will be the Chairman of the Committee.

The Committee will be of sufficient size, independence and technical expertise to effectively discharge its mandate.

In appointing Members of the Compliance Committee, the Responsible Entity will consider the skills, experience, qualifications, good fame and character and such other determinants as it considers necessary in order for the membership and functioning of the Compliance Committee to comply with the provisions of the Corporations Act.

The Responsible Entity may determine, at its discretion, the composition of the Compliance Committee, including the number of members, having regard to these matters and any others.

Members may be appointed under the terms of a service agreement or contract of employment with the Responsible Entity. The service agreement or contract will specify the terms of the Member's appointment, their duties, remuneration and such other things as may be considered necessary.

Members must consent to their appointment in writing and may be required to:

- (a) provide written references, by an independent source, to the Responsible Entity which attest to their good fame and character; and

(b) provide a declaration to the Responsible Entity stating that they qualify as an external member under section 601JB (2) of the Corporations Act. This must be done prior to the appointment being made. Members are obliged to advise the Responsible Entity on the occurrence of any event that may compromise this status.

In addition, Members must disclose to the Responsible Entity prior to their appointment, and thereafter immediately upon the event occurring:

- (a) any directorships they hold in other companies; and
- (b) any membership of any other compliance committee; and
- (c) if the Member:
  - i. becomes a bankrupt;
  - ii. is convicted of a criminal offence;
  - iii. breaches any specific term or condition of their appointment; or
  - iv. becomes aware of, or knows of, anything which may affect or compromise their performance as a Member

Committee members are appointed for an initial term of three years, unless the Board specifies otherwise, and their appointments may be renewed for further terms by mutual agreement.

The Board will review membership of the Committee every 2 years (or earlier if necessary).

## 8 Procedures

The Committee may invite such other persons to attend Committee meetings as it sees fit and consult with other persons and seek any information it considers necessary to fulfil its responsibilities. The Committee may obtain independent advice, when necessary, at the Company's expense, with the approval of the Chairman of the Board.

The Committee will hold meetings at least quarterly including in August and February each year, to consider the annual and half yearly financial statements respectively, and at any other time it or the Board consider necessary. The Secretary will convene a meeting of the Committee if asked to do so by any Committee member or the external auditor.

Except in exceptional circumstances, the Secretary will distribute papers to all members at least six days before each meeting.

The Committee may invite any person to attend for all or a part of any of its meetings.

A member of the Compliance Committee must disclose any interest that they have in any matter under consideration.

Any director of the Responsible Entity, the CEO, the scheme auditor or compliance plan auditor may attend and speak at a Committee meeting. Any invitee of a Committee member may attend and speak at a meeting.

Compliance staff of the responsible entity will be required to attend the Committee meeting to present reports, respond to requests for information or for any other reason as determined by the Committee.

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A quorum will comprise two Committee members.

Meetings may be held by the members communicating with each other through any technological means by which they can participate in discussion even though they may not be physically present in the same place.

The Committee Secretary will be the Company Secretary, unless the Board or the Committee determines otherwise.

The Committee Secretary will take minutes of all meetings held and keep records of all reports and recommendations made by the Committee.

Any dissenting Committee member shall be entitled to have his/her opinion recorded in the minutes.

The Committee may pass or approve resolutions by adopting the procedures (so far as they are appropriate) set out in section 248A of the Corporations Act 2001 (Cth).

## 9 Reports to the Board

The Chairman of the Committee will report to the Board after each meeting of the Committee. The Secretary will include in the papers for each Board meeting a copy of the minutes of meetings and proceedings of the Committee.

The Committee's reports to the Board during each year should include the Committee's assessment as to:

- (a) whether the BrisConnections Group's external reporting is consistent with the information and knowledge of Committee members, and is adequate for investor needs;
- (b) the effectiveness of the management processes supporting the BrisConnections Group's external reporting;
- (c) the performance and independence of the external auditor;
- (d) the effectiveness of the BrisConnections Group's compliance systems; and
- (e) the compliance by each Trust with its constitution and Compliance Plan.

If required by the Board, the Committee will prepare a report to be included in the annual report.

## 10 Access support and independent advice

The Committee will have unlimited access to senior management and the records of the BrisConnections Group. The Committee may meet privately with any of these parties.

The Committee will have unlimited access to the external auditor, the internal audit team (if any), senior management and the records of the BrisConnections Group, as well as any person who conducts a review or an audit of the compliance management systems of the BrisConnections Group. The Committee may meet privately with any of these parties.

The Committee will meet with the external auditor at least twice each year, and more frequently if required.

The Committee may obtain external legal or other independent professional advice on any matter connected with the discharge of its responsibilities on the same basis as such advice is available to individual Directors.

## 11 Performance evaluation and development

The Committee will self evaluate the performance of the Committee, and the governance processes that support the work of the Committee, at least twice yearly.

The Committee may recommend to the Board any changes to this charter that the Committee considers would enhance the Committee's performance of its role.

The Committee may recommend to the Board that members of the Committee be provided with training and any further education the Committee considers necessary to enable the Committee to discharge its responsibilities adequately.

## 12 Indemnity

To the extent permitted by law, the Responsible Entity, or a related body corporate, will indemnify, or agree to indemnify, from the Scheme Assets, a person who is or has been a Compliance Committee Member of a Scheme against a liability incurred by the person, in his or her capacity as a Member, to another person (other than the Responsible Entity or a related body corporate of the Responsible Entity) provided that the liability does not arise out of conduct involving a lack of good faith on the part of that Member.

To the extent permitted by law, the Responsible Entity will indemnify, or agree to indemnify, for a period of 7 years, from the Scheme Assets, a person who is, or has been, a Compliance Committee Member of a Scheme against a liability for costs and expenses incurred by that person:

- (i) in defending any proceedings in which judgement is given in that person's favour, or in which that person is acquitted; or
- (ii) in connection with an application in relation to such proceedings in which the court grants relief to that person under the Corporations Act.

To the extent permitted by law, the Responsible Entity will pay, or agree to pay, from the Scheme Assets, a premium in respect of a contract insuring a person who is, or has been, a Compliance Committee Member of a Scheme against a liability:

- (i) incurred by that person in his or her capacity as a Compliance Committee Member of a Scheme, provided that the liability does not arise out of conduct involving a wilful breach of a duty referred to in section 601JD of the Corporations Act; and
- (ii) for costs and expenses incurred by that person in defending proceedings, whatever their outcome.

## **Appendix A - Schemes monitored by the Compliance Committee**

- BrisConnections Investment Trust
- BrisConnections Holding Trust