



# **Brisconnections Investment Trust and Brisconnections Holding Trust Board Charter**

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## Document Control Sheet

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### Version History

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## Table of Contents

1	Introduction .....	4
1.1	Purpose	4
1.2	Scope	4
1.3	Distribution	4
1.3.1	Audience	4
1.3.2	Restrictions on Distribution	4
1.4	Project Information	4
1.5	Definitions	5
1.6	References	5
2	Objectives of the BrisConnections Group .....	5
	Guiding Principles Supporting the Group Objectives	6
3	Board .....	7
3.1	Board Size and Composition	7
3.2	Role of the Chairman	7
4	Responsibility of Individual Directors.....	8
5	Conflicts of Interest .....	8
6	Access to Information and Independent Advice.....	9
7	Company Secretary.....	9
8	Procedures.....	9
9	Committees of the Board .....	10
10	Performance evaluation.....	10
11	Remuneration.....	10
12	Relationship with CEO and Management .....	11
12.1	Board powers and responsibilities	11
12.2	Delegation	11
12.3	Accountability and monitoring	12
12.4	Evaluation and reward	12

# 1 Introduction

## 1.1 Purpose

The purpose of this Charter is to promote high standards of corporate governance and to clarify the role and responsibilities of the Board and describes the processes the Board follows to discharge its role and responsibilities.

## 1.2 Scope

This document governs all activities of Board of Directors.

## 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-POL-CG-0003	BrisConnections' Security Trading Policy
[Ref-02]	BC-GL-POL-CG-0001	BrisConnections' Code of Conduct
[Ref-03]	N/A	Corporations Act 2001 (Cth)
[Ref-04]	BC-GL-POL-CG-0011	BrisConnections' General Protocols (Authorities)
[Ref-05]		

## 2 Objectives of the BrisConnections Group

The objectives of the BrisConnections Group (**Group Objectives**) are:

- Act in the best interests of unitholders and maximise their return on investment, commensurate with sound business principles and the effective management of risk.
- Provide a safe and rewarding working environment with a goal of no harm to our employees, contractors and communities and a road and related facilities at all times safe for motorists and other users.
- Seek to have all reasonable actions are taken to deliver the completed project, by June 2012 fully meeting all quality and performance requirements.
- Plan and deliver Airport Link so it can operate a 24 hours per day, 365 days per year in a manner that is at all times safe for our customers and the community.
- Comply with the requirements of the Project Deed, our corporate charters and other applicable regulatory requirements.
- Build loyalty and long term satisfaction with our customers and other stakeholders by providing an exemplary level of service.

- Act with integrity and fairness at all times.
- Timely and transparent disclosure to all stakeholders.
- Operate in a sustainable way by building and maintaining mutually beneficial relationships with our customers, suppliers, communities, investors and other stakeholders, and giving due consideration to our environmental impact.

The primary objective of the Boards of Directors (Board) of the BrisConnections Group is to build long term security holder value with due regard to other stakeholder interests. It does this by providing directions and guidance, building solid and reliable corporate identity and ensuring the BrisConnections Group works in the best interests of its unitholders and at all times with integrity.

### **Guiding Principles Supporting the Group Objectives**

All our decisions and actions are taken with a view to achieving our Group Objectives and are underpinned by the following Guiding Principles:

- **Safety**
  - We have an overriding commitment to health and safety.
  - We look after each other and those affected by our operations.
  - We provide motorists with a safe and positive experience that encourages them to use and recommend Airport Link.
- **Integrity**
  - We conduct our business ethically and lawfully.
  - We understand and actively manage risk in all we do.
  - We communicate openly and honestly throughout our organisation and with our customers, suppliers, communities, investors and other stakeholders.
  - We deliver on our commitments.
- **Teamwork and relationships**
  - We maintain a skilled and motivated team in which individuals accept responsibility and are rewarded for achieving the results we seek.
  - We provide our team with the direction, authority, resources and training needed to achieve the results we seek.
  - We respect the diverse knowledge, skills and backgrounds of individuals and recognize each person's contribution to results.
  - We encourage and share ideas across the organisation and with others. We turn what we learn into better ways of working together.
  - We will maintain a close and effective working relationship with Thiess John Holland (TJH) and the State (CNI) focusing initially on the design and construction period of Airport Link and during the initial 5 years of operations.
  - We will address issues raised by any and all stakeholders quickly and fairly. We will always communicate honestly and openly.
  - We will build long term relationships with our customers by completing the Airport Link on time. We will provide an exemplary level of service to deliver the maximum possible travel time saving.

- **Sustainability**

- We adopt sustainable practices in all that we do. This includes recognizing the whole-of-life requirements for maintaining and enhancing the quality of our assets.
- We protect and enhance the environments in which we operate.
- We actively involve ourselves as a responsible member of the communities in which we operate.

- **Corporate Governance**

- Our corporate governance policies will lead us to create value for our investors whilst providing appropriate accountability and internal controls.

- **Growth**

- We will develop strategies to grow the business and add value to our investors.

## 3 Board

### 3.1 Board Size and Composition

The Constitutions of BCMCL (as the responsible entity of BCIT and BCHT) provide that there will be a minimum of 3 Directors and a maximum of 10 Directors.

The Board should comprise:

- (a) a majority of independent non-executive Directors;
- (b) Directors with an appropriate range of skills, experience and expertise;
- (c) Directors who have a proper understanding of, and competence to deal with, current and emerging issues of the business; and
- (d) Directors who can effectively review and challenge the performance of management and exercise independent judgement.

An independent non-executive Director is independent of management and free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence set out in the Best Practice Recommendations published by the ASX Corporate Governance Council. BrisConnections Group's guidelines for assessing the independence of Directors are attached as Appendix A to this Charter.

The Board's Remuneration and Nomination Committee is responsible for the identification and recommendation of candidates for appointment to the Board.

Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of their appointment to ensure that Directors clearly understand the BrisConnections Group's, and the Board's, expectations.

### 3.2 Role of the Chairman

The Chairman of the Board is appointed by the Directors.

The Chairman must be an independent non-executive Director.

The Chairman must not also be the Managing Director of the BrisConnections Group.

The role and responsibilities of the Chairman include:

- (a) providing leadership to the Board and to the BrisConnections Group;
- (b) ensuring the efficient organisation and conduct of the Board;
- (c) monitoring Board performance annually;
- (d) facilitating Board discussions to ensure core issues facing the BrisConnections Group are addressed;
- (e) briefing all Directors in relation to issues arising at Board meetings;
- (f) facilitating the effective contribution and ongoing development of all Directors;
- (g) promoting consultative and respectful relations between Board members and between the Board and management; and
- (h) chairing security holder meetings.

## 4 Responsibility of Individual Directors

Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:

- (a) acting in good faith in the best interests of the BrisConnections Group as a whole;
- (b) acting with care and diligence and for proper purpose;
- (c) avoiding conflicts of interest wherever possible; and
- (d) refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.

Directors are expected to support the letter and spirit of Board decisions.

Directors commit to the collegiate decision-making processes of the Board. Directors will discuss issues openly and constructively, respecting the contributions of other Directors while being free to question contrary opinions expressed by other Directors.

Unless prevented by extraordinary circumstances, Directors are expected to attend and participate in all meetings of the Board and to have read and considered all papers distributed for the meeting

Directors will keep Board information, discussions, deliberations and decisions, which are not publicly known, confidential.

To assist Directors, the following questions should be considered:

- Is there any conflict?
- Do I have all the facts to enable me to make a decision?
- Is this a rational decision based on all the facts?
- Is the decision in the best interests of the company?
- Is the communication to stakeholders transparent?
- Is the organisation acting in a socially responsible way?
- Am I a good steward of the organisation's assets?
- Would the board be embarrassed if its decision and the process employed in arriving at its decision appeared on the front page of a national newspaper?

## 5 Conflicts of Interest

Directors must:

- (a) Disclose to the Board any actual or potential conflicts of interest which may exist, or be thought to exist, as soon as they become aware of the issue;
- (b) Take any necessary and reasonable measures to try to resolve the conflict; and
- (c) Comply with the Corporations Act provisions on disclosing interests and restrictions on voting.

If a conflict or potential conflict situation exists, it is expected that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution that states that those Directors are satisfied that the interest should not disqualify the Director from being present or voting on the matter.

Directors are expected to advise the Chairman of any proposed Board or executive appointment to other organisations as soon as practicable.

## 6 Access to Information and Independent Advice

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making.

Directors will be entitled to:

- (a) access members of management at any time to request relevant and additional information or seek explanations;
- (b) have access to internal and external auditors, without management present, to seek explanations or additional information;
- (c) seek independent professional advice with the Chairman's consent, which will not be unreasonably withheld or delayed, and which will be at the BrisConnections Group's expense; and
- (d) a copy of any advice obtained under this section, together with the letter of instruction and any accompanying material.

## 7 Company Secretary

The Company Secretary is accountable to the Board, and appointment of the Company Secretary is a matter for the Board.

The advice and services of the Company Secretary are available to all Directors and Board Committees.

The Company Secretary will obtain independent advice at the request of the Board or a Board Committee.

## 8 Procedures

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

The Board will meet at least every second month, and whenever else considered necessary by the Chairman. The Chairman or the Company Secretary will convene a meeting of the Board whenever asked to do so by a Director.

A quorum for a meeting of the Board will be two Directors, at least one of whom must be an Independent Director.

The Secretary will convene a meeting of the Board if asked to do so by any Board member.

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

A standing invitation to attend each meeting will be issued to the CEO and any Director.

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 Board Secretary will take minutes of all meetings held and keep records of all reports and resolutions made by the Board.

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

The Board 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 Committees of the Board

The Board may establish Committees to help the Board in performing its role.

Each Committee will be made up of the individuals the Board considers best suited to fulfill the role of the Committee. The chairman of each Committee will be an Independent Director, unless the Board resolves otherwise having regard to the skills and experience of the members of the Board and the Committee.

Committees will have access to sufficient resources to carry out their activities effectively.

The Board may establish a charter for each Committee to set out principles for the composition, authority, responsibilities and administration of the Committee.

## 10 Performance evaluation

At least annually, the Chairman will lead an evaluation of the performance of the Board as a whole, each Board Committee, each Director (including the Chairman), and the governance processes that support the work of the Board.

The Board may recommend training and further education it considers necessary to enable the Board to discharge its responsibilities.

## 11 Remuneration

The remuneration of independent Directors consists entirely of directors' fees and committee fees. Directors are not eligible for retirement benefits.

Any Director appointed upon the nomination of Thiess John Holland is not entitled to be paid any remuneration by the BrisConnections Group<sup>1</sup>.

Independent Directors are required to take a percentage of their remuneration by way of equity. The Chairman is to take 40% of total remuneration by way of security purchase while the other independent non-executive Directors are to take 20% of their total remuneration by way of security purchase. Securities are purchased on market in accordance with the ASX Listing Rules.

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<sup>1</sup> Under arrangements entered into in connection with the establishment and listing of BrisConnections Group in 2008, one Director has been nominated by Thiess John Holland, which is the Design and Construction Contractor for Airport Link.

## 12 Relationship with CEO and Management

### 12.1 Board powers and responsibilities

Management and control of the business and affairs of BrisConnections Group are vested in the Board. The Board has reserved certain matters for decision by the Board. The Board has delegated authority for all other matters to the CEO.

The Board has reserved the following matters for its decision:

- (a) approving the objectives, goals and strategic direction of BrisConnections Group;
- (b) approving (after review and recommendation by the Audit Risk and Compliance Committee) the risk management plan and the treatment of risks that are material to achievement of the Group Objectives;
- (c) appointing, remunerating, reviewing the performance of, and (where applicable) removing the CEO;
- (d) approving the appointment, remuneration and (where applicable) removal, and participating in review of the performance of the CFO, the Company Secretary, and other senior managers reporting to the CEO as set out in the General Protocols (Authorities);
- (e) approving any change to the delegation of authorities to the CEO and senior management as set out in the General Protocols (Authorities);
- (f) adopting an annual budget;
- (g) approving capital expenditure, capital management, acquisitions and divestures in accordance with the General Protocols (Authorities);
- (h) monitoring and approving financial reports and other documents (such as reports and statements to unitholders) and disclosures required by the BrisConnections Group's constitutional documents, applicable laws or ASX rules; and
- (i) any other matters reserved for the Board in the General Protocols (Authorities).

The Board may alter the matters reserved for its decision, subject to the restrictions in BrisConnections Group's constitutional documents, applicable laws and stock exchange rules.

The Board is also responsible for:

- (a) setting high ethical standards for business behaviour;
- (b) monitoring the implementation of the principal investment policy of BCIT and BCHT (as set out in their respective constitutions);
- (c) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available; and
- (d) reviewing and monitoring internal controls and compliance and risk management systems.

### 12.2 Delegation

The Board delegates to the CEO all powers and authority to achieve the Group Objectives, subject to the authority limits set out in the General Protocols (Authorities). If there is any doubt about the CEO's powers or authority in a particular matter, the matter will be referred to the Chairman, who may refer the matter to the Board.

The CEO will regularly review the delegation of authorities to senior management as set out in the General Protocols (Authorities) to ensure they remain appropriate to the needs of BrisConnections Group. The CEO may propose amendments to the General Protocols (Authorities) for approval by the Board.

### **12.3 Accountability and monitoring**

The CEO is accountable to the Board for the authority that is delegated to the CEO, and for the performance of BrisConnections Group.

The Board will monitor the decisions and actions of the CEO and the performance of BrisConnections Group towards achievement of the Group Objectives. The Board and its Committees will decide the information they require to perform their respective roles, and may make direct requests for that information, including from the CEO, the Company Secretary, the external auditor or any third party.

The CEO will ensure that reporting to the Board:

- (a) is open and effective and addresses material developments affecting achievement of the Group Objectives; and
- (b) includes the information that is appropriate to enable the Board and its Committees to make assessments and decisions, to conduct inquiries and to be assured that the decisions and actions of the CEO and the performance of BrisConnections Group are directed towards achievement of the Group Objectives.

### **12.4 Evaluation and reward**

The Board will ensure that the structure of remuneration for BrisConnections Group (including for the CEO) is linked to achievement of the Group Objectives and is benchmarked against market for organisations of similar size, operations and complexity.

The Board will ensure that the performance requirements of the CEO and senior management are linked to achievement of the Group Objectives, and that systems for evaluating the performance of the CEO and senior management are based on open and relevant criteria.

The Chairman will lead, on behalf of the non-executive directors, an annual formal evaluation of the performance of the CEO.

## Appendix A - Guidelines for Assessing the Independence of Directors

An independent director is a non-executive director and:

- (a) Is not a substantial shareholder of the Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group.
- (b) Within the last three years has not been employed in an executive capacity by the Group or another group member, or been a director after ceasing to hold any such employment.
- (c) Within the last three years has not been a principal of a material professional adviser or a material consultant to the Group or another group member or an employee materially associated with the service provided.
- (d) Is not a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- (e) Has no material contractual relationship with the Group or another group member other than as a director of the Group.
- (f) Has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group.
- (g) Is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group.

A director who is a principal or employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to the Group by the professional adviser.

For the purposes of these Guidelines: "Material" means that a Director:

- (a) is a shareholder of a company holding more than two and half percent (2.5%) of the Group's voting stock or an officer of or otherwise associated directly or indirectly with a shareholder holding more than two and a half percent (2.5%) of the Group's voting stock;
- (b) is a principal or employee of a professional adviser to the Group and its entities whose billings exceed two and a half percent (2.5%) of the adviser's total revenues;
- (c) is a significant supplier or customer of the Group or its entities or an officer of or otherwise associated directly or indirectly with a significant supplier or customer.

A significant supplier is defined as one whose revenues from the Group exceed two and a half percent (2.5%) of the supplier's total revenue.

A significant customer is one whose amounts payable to the Group exceeds two and a half percent (2.5%) of the customer's total operating costs.

The Audit, Risk and Compliance Committee will review the independence of directors each year.