



Globalisation

TOLL HOLDINGS LIMITED NOTICE OF ANNUAL GENERAL MEETING 2009

ABN 25 006 592 089

TOLL

NOTICE OF ANNUAL GENERAL MEETING

TOLL HOLDINGS LIMITED ABN 25 006 592 089

Incorporated in Victoria. Registered office: Level 7, 380 St Kilda Road, Melbourne, Victoria 3004

Notice is hereby given that the Annual General Meeting of members of Toll Holdings Limited will be held at Park Hyatt Melbourne, 1 Parliament Square, Melbourne, on Thursday 29 October 2009 at 11.00 am.

ORDINARY BUSINESS

Item 1 – Accounts and Reports

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2009 and the related Directors' Report and Auditor's Report.

Item 2 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2009 be adopted."

Note: The vote on the above resolution is advisory only and does not bind the Directors or the Company.

Item 3 – Re-election of Mr Harry Boon as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Harry Boon, being a Director of the Company who retires by rotation in accordance with Article 17 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company."

SPECIAL BUSINESS

Item 4 – Renewal of Proportional Takeover Approval Provisions

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the proportional takeover approval provisions contained in Article 8.13 of, and Schedule 2 of, the Constitution be renewed for a further 3 years from their date of expiry on 2 November 2009."

Item 5 – Issue options and/or rights to executives

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval be given to the grant of options and/or rights to executives of the Company, under the Senior Executive Option & Right Plan (or any successor plan), on the terms summarised in the Explanatory Memorandum accompanying this Notice of Meeting for all purposes including ASX Listing Rule 7.2, Exception 9(b)."

Item 6 – Grant of options to the Managing Director, Paul Little

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval be given to the grant of options up to the maximum value of AUD 1,980,000 to Mr Paul Little, under the Senior Executive Option & Right Plan (or any successor or amended plan), on the terms summarised in the Explanatory Memorandum accompanying this Notice of Meeting."

VOTING EXCLUSIONS

In accordance with the ASX Listing Rules, the Company will disregard:

- in respect of Item 5; and
- in respect of Item 6,

any votes cast by a Director of the Company (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company), and any associate of that Director.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board

B McInerney

Company Secretary

Dated this 14th day of September 2009

SEE IMPORTANT NOTES OVERLEAF

IMPORTANT NOTES

NOTES RELATING TO VOTING

Explanatory Memorandum

The resolutions contained in this Notice of Meeting should be read in conjunction with the attached Explanatory Memorandum. The Explanatory Memorandum forms part of this Notice of Meeting.

Voting entitlements

The Directors have determined that for the purposes of determining voting entitlement at the Annual General Meeting, shares will be taken to be held by persons who are registered as shareholders at 7pm (Melbourne time) on Tuesday 27 October 2009. Accordingly, share transfers registered after that time will be disregarded in determining entitlement to attend and vote at the Annual General Meeting.

How do you exercise your right to vote?

The vote on each resolution will be decided on a show of hands or a poll subject to any requirements of the Corporations Act and the Constitution of the Company.

For resolutions determined on a show of hands, every person present and qualified to vote has one vote and if one proxy or attorney has been appointed, that proxy or attorney will have one vote on a show of hands. If your shares are jointly held and more than one of the joint holders is present at the meeting, only the joint holder present whose name appears first in the Company's Share Register is entitled to vote.

For resolutions determined by poll, each shareholder present in person or by proxy or attorney has one vote for each fully paid ordinary share held.

Voting by proxy or attorney

A shareholder who is entitled to attend and cast a vote at the Annual General Meeting has the right to appoint a person (whether a shareholder or not) as the shareholder's proxy or attorney to attend and vote for the shareholder at the meeting. If a shareholder is entitled to cast two or more votes, that shareholder may appoint two proxies or attorneys and may specify the proportion or number of votes each proxy or attorney is appointed to exercise. If the shareholder appoints two proxies or attorneys and the appointment does not specify the proportion or number of the shareholder's votes each proxy or attorney may exercise half of the votes. If a shareholder appoints two proxies or attorneys, neither may vote on a show of hands, but they will be entitled to vote on a poll in their specified proportions.

Deposit of proxy form or power of attorney before Meeting

For the appointment of a proxy to be effective, the Proxy Form, together with any authority under which the Proxy Form was executed or a certified copy of that authority, must be completed and:

- deposited at the Company's share registry, Computershare Investor Services Pty Limited, located at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067; or
- deposited at the Company's Registered Office, Level 7, 380 St Kilda Road, Melbourne, Victoria 3004; or
- returned in the enclosed Reply Paid envelope to GPO Box 242, Melbourne, Victoria 3001; or
- sent by facsimile to Computershare on 1 800 783 447 (within Australia) or +613 9473 2555 (outside Australia); or
- sent by facsimile to the Company on (03) 8689 3244,

so that it is received by the Company or the Company's share registry (as appropriate) at least 48 hours before the time scheduled for commencement of the meeting.

For the appointment of an attorney to be effective, the instrument appointing the attorney and the power of attorney under which it was executed or a certified copy of that power, must be deposited in the manner and within the time period set out above.

Shareholders wishing to lodge electronic proxies on-line may do so by accessing the *Investor Vote* system on the Company's share registry website at www.investorvote.com.au and then inputting the shareholder's *secure access information* to commence voting. Shareholders must lodge electronic proxies on-line no later than 48 hours before the time scheduled for commencement of the meeting.

Corporate representative

Any corporation which is a shareholder may appoint an individual (either by name or position and whether a shareholder or not) as its representative to exercise all or any of the powers of the corporation at the Meeting. If a representative of either a corporate shareholder or a proxy which is a body corporate is to attend the meeting pursuant to section 250D of the Corporations Act, a certificate of appointment of the representative must be produced prior to admission to the meeting.

EXPLANATORY MEMORANDUM FOR SHAREHOLDERS

TOLL HOLDINGS LIMITED ABN 25 006 592 089

INTRODUCTION

This Explanatory Memorandum forms part of the Notice of Meeting and provides information for shareholders in respect of the resolutions to be considered at the Annual General Meeting of the Company to be held at Park Hyatt Melbourne, 1 Parliament Square, Melbourne, on Thursday 29 October 2009 at 11.00 am.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

ORDINARY BUSINESS

Item 1 – Accounts and Reports

The Corporations Act 2001 (Cth) ("**Corporations Act**") and the Company's Constitution requires the Annual Financial Report (including the financial statements of the Company for the year ended 30 June 2009), the Directors' Report and the Auditor's Report to be laid before the meeting. There is no requirement in the Corporations Act or the Company's Constitution for shareholders to vote on, approve or adopt these Reports. Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these Reports and on the management of the Company.

The Auditor of the Company is required to attend the meeting and will be available to take shareholders' questions about the conduct of the audit, and the preparation and content of the Auditor's Report. Members may forward written questions to the Auditor that are relevant to these matters for response at the meeting. These should be emailed to company_secretary@toll.com.au or mailed to the Company Secretary, Level 7, 380 St Kilda Road, Melbourne, Victoria 3004 and may be submitted no later than the 5th business day before the meeting. The Company is required by law to forward all questions to the Auditor and the Auditor is required to prepare a list of questions that the Auditor considers are relevant to the conduct of the audit and the content of the Auditor's Report. The Auditor may omit questions that are the same in substance to other questions and questions that are not received in a timely manner. At the meeting, the Chairman will give the Auditor a reasonable opportunity to answer the questions on the question list. The list of questions prepared by the Auditor will be available on the Company's website, www.tollgroup.com prior to the meeting. In addition, copies of the list of questions will be available at the meeting.

The Auditor of the Company will also be available to take shareholders' questions at the meeting relevant to accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the Auditor in relation to the conduct of the audit.

Item 2 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Board is presenting the Company's Remuneration Report for the year ended 30 June 2009 to shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report commences on page 21 of the Company's Annual Report. In accordance with the Corporations Act, the Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance; and
- sets out the remuneration arrangements in place for each Director and those members of the senior management team with authority and responsibility for planning, directing and controlling the activities of the Company.

An opportunity will be provided for discussion of the Remuneration Report at the meeting.

The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Directors will take into account the discussion of this item and the outcome of the vote when considering the future remuneration arrangements of the Company.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

Item 3 – Re-election of Harry Boon as a Director

In accordance with the procedure for the election of Directors in the ASX Listing Rules and the Constitution of the Company, Harry Boon retires from the Board and, being eligible, offers himself for re-election.

Harry Boon (B Laws (Hons) and B Com (Melb)) was appointed to the Board in October 2006 as a Non-Executive Director. Harry is Chairman of the Remuneration and Succession Planning Committee and a member of the Nomination and Corporate Governance Committee of the Board.

Harry retired in 2004 as Chief Executive Officer and Managing Director of ASX listed Ansell Limited, capping a 28 year career with the Ansell Group. Harry has lived and worked in senior positions in Australia, Europe, the USA and Canada and has broad based experience in global marketing and sales, manufacturing and product development. He is multilingual and has a strong track record in delivering business results through setting ambitious goals, building the appropriate organisation and relationships and relentlessly pursuing objectives.

Harry is currently Chairman of Tattersall's Limited and Gale Pacific Limited and is a Non-Executive Director of Hastie Group Limited and of Paperlinx Limited, all of which are ASX listed companies. Harry has advised the Company that he is to step down as Chairman of Gale Pacific Limited and retire as a director of that company effective 17 November 2009.

The Board has concluded its annual Board and Director performance review process and endorses Harry Boon as a candidate for re-election.

The Board (with Harry Boon abstaining) unanimously recommends that shareholders vote in favour of the re-election of Harry Boon.

Item 4 – Renewal of Proportional Takeover Approval Provisions

The Constitution of the Company, at Article 8.13 and Schedule 2 (to which Article 8.13 refers), 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 3 years from adoption or renewal and may then be renewed. The provisions contained in the Company's Constitution therefore cease to apply, unless renewed, on 2 November 2009.

The Company is seeking shareholder approval to renew these provisions in accordance with the Corporations Act. The proposed proportional takeover provisions are identical to those renewed by shareholders in 2006. As a consequence, the Corporations Act requires the Company to provide shareholders with an explanation of the proportional takeover approval provisions as set out below.

What is a Proportional Takeover Bid?

A proportional takeover bid is a takeover offer sent to all shareholders but only in respect of a specified portion of each shareholder's shares. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, it will dispose of the specified portion of its shares in the Company and retain the balance of the shares.

Effect of the Article to be Renewed

If renewed, under existing Article 8.13 and Schedule 2, in the event that a proportional takeover offer is made to shareholders of the Company, the Board of the Company will be required to convene a meeting of shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offer under the proportional takeover bid closes.

The resolution shall be taken to have been passed if a majority of shares voted at the meeting, excluding the shares of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the offer, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASTC Operating Rules and the Company's Constitution. If the resolution is rejected, then in accordance with the Corporations Act the offer will be deemed to be withdrawn.

Reasons for Proposing the Resolution

The Directors consider that shareholders should have the opportunity to renew Article 8.13 and Schedule 2 in the Constitution. Without Article 8.13 and Schedule 2, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without shareholders having the opportunity to dispose of all of their shares to the bidder. Accordingly, shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the Company.

Without Article 8.13 and Schedule 2, if there was a proportional takeover bid and shareholders considered that control of the Company was likely to pass, shareholders would be placed under pressure to accept the offer even if they did not want control of the Company to pass to the bidder. Renewing Article 8.13, and Schedule 2 of the Constitution will make this situation less likely by permitting shareholders to decide whether a proportional takeover bid should be permitted to proceed.

No Knowledge of Present Acquisitions Proposals

As at the date on which this Explanatory Memorandum is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential Advantages and Disadvantages for the Directors and Shareholders of the Company

The renewal of Article 8.13 and Schedule 2 will enable the Directors to formally ascertain the views of shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the Directors consider that renewal of Article 8.13 and Schedule 2 has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

The Directors consider that renewing Article 8.13 and Schedule 2 will benefit all shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend or be represented by proxy at a meeting of shareholders called specifically to vote on the proposal. Accordingly, shareholders will be able to prevent a proportional takeover bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the proportional takeover bid. Furthermore, knowing the view of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject that bid.

As to the possible disadvantages to shareholders of renewing Article 8.13 and Schedule 2, it may be argued that the proposal makes a proportional takeover bid more difficult and that such proportional takeover bids will therefore be discouraged. This may reduce the opportunities which shareholders may have to sell all or some of their shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. Article 8.13 and Schedule 2 may also be considered an additional restriction on the ability of individual shareholders to deal freely in their shares.

The Directors consider that there are no other advantages and disadvantages for Directors and shareholders which arose during the period during which the proportional takeover approval provisions have been in effect, other than those discussed in this section.

On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that renewal of Article 8.13 and Schedule 2 is in the interests of shareholders.

The Board unanimously recommends that shareholders vote in favour of this resolution.

EXPLANATORY MEMORANDUM FOR SHAREHOLDERS (Continued)

TOLL HOLDINGS LIMITED ABN 25 006 592 089

Item 5 – Approval of issue of options and/or rights to senior executives

Approval is sought pursuant to ASX Listing Rule 7.2, Exception 9(b) for the future issue by way of grant of options and/or rights to senior executives of the Company pursuant to the Senior Executive Option & Right Plan, or any successor or amended plan (the "**Executive Plan**").

Due to the uncertainty relating to the Federal Government's tax legislation on Employee Share Schemes, at the time of publishing the Notice of Meeting, some terms of the Senior Executive Option and Right Plan may need to be amended or replaced to comply with any revised legislation.

ASX Listing Rules

ASX Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a 12 month period, the amount of equity securities issued is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

ASX Listing Rule 7.2, Exception 9(b) provides that an issue under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if shareholders approved the issue of securities under an employee incentive scheme as an exception to Listing Rule 7.1 no more than three years before the date of issue. The Company wishes for the issue of options and/or rights under the Executive Plan not to be included when undertaking the calculation pursuant to ASX Listing Rule 7.1. Accordingly, it is seeking shareholder approval in respect of the Executive Plan as required under ASX Listing Rule 7.2, Exception 9(b).

Summary of the Executive Plan

Under the Executive Plan, the Board may offer options and/or rights to subscribe for ordinary shares to senior executives of the Company and its subsidiaries. The exercise price of options and/or rights will be an amount determined by the Board.

Performance Hurdle

When offering options and/or rights, the Board has the discretion to establish performance hurdles which, unless waived by the Board, must be met before options and/or rights can be exercised. The Board will continue to ensure that long term incentives are issued with appropriate performance hurdles imposed.

Option Term

The term of the options and/or rights will be up to 10 years, or another period specified by the Board of not less than 5 years. Past grants of options have historically been for terms no greater than 5 years and are generally not exercisable until 3 years after grant.

Unless otherwise determined by the Board, if the employment of an executive is terminated before the end of the third year, the options and/or rights held by that executive will expire. If an executive has ceased to be employed due to the death or total and permanent disablement of the executive concerned, vested options and/or rights will be exercisable within 90 days of cessation of employment. The Board will also have the discretion to have options and/or rights expire if it determines that

a participant has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company or a subsidiary.

Change of Control

On the occurrence of a Corporate Control Event (as defined in the Executive Plan), the Board in its absolute discretion (and subject to any applicable laws) may do a number of things, including waiving or modifying performance hurdles attached to options and rights, varying the Executive Plan without participants' approval, waiving restrictions on shares issued on the exercise of options or rights and taking other action as the Board determines.

Loans

The Executive Plan rules are drafted to enable the Board to, at its discretion, grant options and/or rights on the basis that an issue price is payable at the time of grant. In such cases, the Board may also offer the participant a loan for the amount of the issue price. In addition, in the case of options, the Company may at the time of exercise lend the executive the amount of the exercise price (exercise loan). Such loan may be interest free at the discretion of the Board.

Notwithstanding this flexibility, it is the Board's current intention not to offer any such loans to participants under the Executive Plan.

Restricted Shares Issued

Shares acquired by an executive on exercise of the options and/or rights will be ordinary shares beneficially owned by the executive, but held by and in the name of the trustee of the Executive Plan subject to withdrawal, forfeiture and transfer restrictions set out in the Executive Plan.

Forfeiture Conditions

If, following the exercise of options and/or rights, the Board determines that an executive has committed any act of fraud or defalcation or gross misconduct in relation to the affairs of the Company or a subsidiary, the executive shall forfeit any right or interest in such of the shares as are held for the executive by the Trustee of the Executive Plan as a consequence of the exercise of options and/or rights.

Capital Reconstructions

Participants will have their entitlements in respect of options and/or rights held, adjusted to take account of capital reconstructions and bonus issues as if the options and/or rights had been exercised before the determination of entitlements in respect of those issues.

If the Company makes a pro-rata rights issue to shareholders, the exercise price of an option and/or right, if applicable, will be reduced according to the formula specified in the ASX Listing Rules. If an option and/or right has no exercise price, the Board has the discretion to adjust the number of options and/or rights in accordance with the Executive Plan.

Option Disclosure

In accordance with ASX Listing Rule 7.2, Exception 9(b), the Company is also required to inform shareholders of the number of options and/or rights granted under the Executive Plan since the date of the approval

most recently given by shareholders. Shareholders last approved a grant of options under the Executive Plan at the Annual General Meeting of the Company on 26 October 2006. Pursuant to that approval, 11,963,549 options over ordinary shares in the Company have been granted under the Executive Plan to executives during the financial years ended 30 June 2008 and 30 June 2009.

In accordance with Listing Rule 14.11.1, a director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates, is excluded from voting on this resolution. The voting exclusion statement (required under ASX Listing Rule 7.2, Exception 9(b)) is contained in the Notice of Meeting.

The Board unanimously recommends that shareholders vote in favour of this resolution.

Item 6 – Approval of grant of options to the Managing Director, Mr Paul Little

As previously indicated to shareholders, the Board considers that the Executive Plan forms an integral part of effectively rewarding and incentivising executive management. Through the Executive Plan, the Company has aligned its performance with the long term incentive arrangements of its executives.

Approval is sought pursuant to ASX Listing Rule 10.14 to the grant of options up to the maximum value of AUD 1,980,000 to Paul Little, who is Managing Director of the Company, pursuant to the Executive Plan as part of his long term incentive arrangements on the terms set out below. An overview of the Executive Plan is set out above with respect to Item 5.

If shareholder approval is obtained, it is intended that the grant of options will be made to Mr Little shortly following this meeting (but no later than 12 months after the meeting or any adjournment of the meeting).

The number of options granted to Mr Little will be determined by dividing the FY10 Long-Term Incentive contractual value of AUD 1,980,000 by the independently assessed estimated fair value of each performance option, as determined at the relevant date.

The maximum number of options that will be granted will not exceed 1,500,000. This cap has been set based on the valuation used for Mr Little's option allocation in November 2008 at which time the fair value was \$1.32 per option and the 5 day weighted average of trading in the Company's ordinary shares was \$5.75 per share.

ASX Listing Rules

ASX Listing Rule 10.14 provides that an entity must not permit a Director to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition (unless the securities are purchased on market under the terms of a scheme that provides for purchase of securities by or on behalf of employees or directors, which is not the case with the Executive Plan). Accordingly, approval is being sought at the upcoming meeting for the purpose of ASX Listing Rule 10.14.

Background

Details of Paul Little's remuneration package for the financial year ended 30 June 2009, and the basis upon which this remuneration was determined, are set out in the Remuneration Report on pages 32 and 33 of the Annual Report.

As per the 2009 Remuneration Report, Mr Little's **target** Total Employment Remuneration for the year ending 30 June 2010 is unchanged from that which applied to the previous year, as follows:

- Fixed Remuneration: AUD 2,310,000
- Short-Term Incentive (target): AUD 2,310,000
- Long-Term Incentive (target): AUD 1,980,000
- Total Employment Remuneration (target): AUD 6,600,000

Mr Little has received no target remuneration increase from 1 July 2009 following a Board sanctioned remuneration freeze.

Terms of the options

The principal terms of the options the subject of the proposed grant are as follows:

- the exercise price of the options will be the market value of the Company's ordinary shares determined on the day the options are granted. For that purpose, the market value will be the volume weighted average of the prices at which those shares were traded on the ASX during the 5 trading days up to the date of grant;
- there may be an issue price for the options;
- the options can not be exercised until 3 years after they are granted and will expire after 5 years if not previously exercised;
- each option is exercisable into one restricted ordinary share in the Company which will be held by a plan trustee pursuant to the Executive Plan; and
- options awarded under the Executive Plan will vest subject to the Company meeting a performance target, further information on which is set out below.

Performance Target

Following a detailed assessment of alternative performance measures commonly adopted by leading ASX companies, the Board has determined that the most appropriate way to link long-term shareholder wealth to long-term remuneration outcomes is to utilise the following performance measures:

- (a) Total Shareholder Return of the Company in comparison to companies in the S&P/ASX100 Index (**Relative TSR**) in relation to fifty percent of the performance options; and
- (b) Cumulative Compound Growth in fully diluted Earnings Per Share pre-amortisation and excluding non recurring abnormal items, for ongoing business operations of the Company (**Relevant EPS**) in relation to the other fifty percent of the performance options

At the appropriate time Relative TSR and Relevant EPS will be measured to determine the proposed vesting percentages which will then be considered and determined by Board resolution.

EXPLANATORY MEMORANDUM FOR SHAREHOLDERS (Continued)

TOLL HOLDINGS LIMITED ABN 25 006 592 089

Relative TSR for 50% of the options granted.

Relative TSR performance will be assessed over a three year period which will commence at the start of the financial half year during which the performance options are granted.

Vesting will be measured by ranking the Company's TSR against the S&P/ASX 100 index in respect of the measurement period. If the Company's TSR equals the median of the S&P/ASX100 index, 50% of the relevant performance options will, subject to the Board's final determination, vest. If the Company's TSR equals the 75th percentile of the S&P/ASX100 index, the remaining 50% relevant performance options will vest, subject to the Board's final determination. Proportional straight line vesting will apply for results achieved between the median and 75th percentile. No further retesting will occur in relation to unvested options following the initial Relative TSR measure.

Relevant EPS for 50% of the options granted.

Relevant EPS performance will initially be assessed over a three year period which will commence from the start of the financial half year during which the performance options are granted.

Vesting will be measured by determining the Relevant EPS over the measurement period. Half of the performance options relating to this performance hurdle will vest if the Company achieves a ten percent per annum Relevant EPS and all performance options will vest if the Relevant EPS is fifteen percent per annum. Proportional straight line vesting will apply for Relevant EPS achieved between ten and fifteen percent per annum.

Should any options not vest at the time of the initial performance measure, then two further retesting points will apply at the fourth and fifth year with the relevant performance periods also being extended to include the retesting periods.

Disclosure

In accordance with the ASX Listing Rules, the Company is required to inform shareholders of the names of persons who have received options and/or rights under the Executive Plan since the approval most recently given by shareholders as well as the number of options/rights received and the acquisition price.

Shareholders last approved a grant of options under the Executive Plan at the Annual General Meeting of the Company on 26 October 2006. Pursuant to that approval:

- 739,130 and 355,731 options over ordinary shares in the Company were granted to each of Paul Little and Neil Chatfield respectively on 11 January 2008 with no option issue price and an exercise price of \$10.55;
- 555,114 options over ordinary shares in the Company were granted with effect on 26 November 2008 and issued to Neil Chatfield on 31 March 2009 with no option issue price and an exercise price of \$5.75; and
- 776,870 options over ordinary shares in the Company were granted with effect on 26 November 2008 and issued to Paul Little on 29 June 2009 with no option issue price and an exercise price of \$5.75.

Details of any securities issued under the Executive Plan will be published in each Annual Report of the Company relating to the period in which the securities have been issued. The Report will also include a statement that approval for the issue of any securities was obtained under ASX Listing Rule 10.14.

Following Neil Chatfield's resignation as a director on 18 September 2008, Paul Little is the only current director who is entitled to participate in the Executive Plan. If any additional persons, for whom shareholder approval is required under the ASX Listing Rules, become entitled to participate in the Executive Plan following approval of this resolution, they will not participate until approval is obtained as required under ASX Listing Rule 10.14.

In accordance with Listing Rule 14.11.1, a director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates, is excluded from voting on this resolution. The voting exclusion statement (required under ASX Listing Rules 10.15.5 and 10.15A.6) is contained in the Notice of Meeting.

The Board unanimously recommends that shareholders vote in favour of this resolution.



TOLL HOLDINGS LIMITED ABN 25 006 592 089

For further information please contact

Principal Registered Office in Australia

Level 7, 380 St Kilda Road, Melbourne Vic 3004
Telephone: +61 3 9694 2888
Facsimile: +61 3 9694 2880
Website: www.tollgroup.com

Share Register

Computershare Investor Services

Yarra Falls, 452 Johnston Street, Abbotsford Vic 3067
Telephone: Australia 1300 850 505
Telephone: Overseas +61 3 9415 4000
Facsimile: +61 3 9473 2500
Website: www.computershare.com





Toll Holdings Limited

ABN 25 006 592 089

000001 000 TOL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Appoint proxies online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11.00am on Tuesday 27 October 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO APPOINT PROXIES,
or turn over to complete the form**



MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Toll Holdings Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Toll Holdings Limited to be held at Park Hyatt Melbourne, 1 Parliament Square, Melbourne on Thursday 29 October 2009 at 11.00 am and at any adjournment of that meeting.

Important for Item/s 5 and 6: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item/s 5 and 6 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item/s 5 and 6 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of item/s 5 and 6 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr Harry Boon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

Item 4 Renewal of Proportional Takeover Approval Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Issue options and/or rights to executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Grant of options to the Managing Director, Paul Little	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____