

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Toll Holdings Limited

ABN

25 006 592 089

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |
|---|--|
| 1 +Class of +securities issued or to be issued  | <ol style="list-style-type: none"><li>1. Unquoted Performance Options and Performance Rights to acquire ordinary shares.</li><li>2. Unquoted Restricted Rights to acquire ordinary shares.</li></ol>   |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none"><li>1. <b>TOLAF</b> Performance Rights &amp; Options:<br/><b>Total</b> of 56,462 Rights &amp; Options comprising:<br/><br/>Allocation of 17,858 Performance Options to expire on 25 September 2017.<br/><br/>Allocation of 38,604 Performance Rights to expire on 25 September 2017.</li><li>2. <b>TOLAG</b> Restricted Rights:<br/><br/>Allocation of 129,705 Restricted Rights to expire on 25 September 2017.</li></ol> |

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+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Performance Rights & Options

Please refer to the attached Annexure for Performance Hurdle conditions.

Performance Options may be exercised on vesting and have an exercise price of AUD\$4.61. Each vested Performance Option entitles the holder to one fully paid ordinary share.

Performance Rights may be exercised on vesting and have a zero exercise price. Each vested Performance Right entitles the holder to one fully paid ordinary share.

Restricted Rights

Time based Restricted Rights:

129,705 will vest on 25/9/2014

Restricted Rights may be exercised on vesting and have a zero exercise price. Each vested Restricted Right entitles the holder to one fully paid ordinary share.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Shares will be allocated on vesting and exercise of the Restricted Rights, the Performance Options or the Performance Rights. Shares allocated will rank equally with other fully paid ordinary shares.

5 Issue price or consideration

No consideration is payable for the issue of the Restricted Rights, the Performance Options or the Performance Rights.

6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Issue of Restricted Rights, Performance Options and Performance Rights are pursuant to the terms of the Company's Senior Executive Option and Rights Plan.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

14 December 2012

8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
717,133,875	Ordinary (TOL)

9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
237,087	TOLAW
750,834	TOLAY
555,114	TOLAZ
*4,782,697	TOLAK
5,876,252	TOLAO
26,250	TOLAQ
*5,029,815	TOLAS
*92,762	TOLAU
180,438	TOLAM
*5,146,614	TOLAN
11,991	TOLAA
87,379	TOLAB
8,831	TOLAC
33,284	TOLAD
7,203,089	TOLAE
(* takes into account the lapsing of 12,000 TOLAK, 63,515 TOLAN, 112,770 TOLAS, 2,755 TOLAU, 13,236 TOLAE)	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Shares allocated on vesting and exercise of the Restricted Rights, the Performance Options or the Performance Rights will rank equally with other fully paid ordinary shares.

## Part 2 - Bonus issue or pro rata issue

N/A

+ See chapter 19 for defined terms.

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
- Note: Security holders must be told how their entitlements are to be dealt with.
- Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

### Part 3 - Quotation of securities

N/A

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

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+ See chapter 19 for defined terms.

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

**Additional securities forming a new class of securities**

**N/A**

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

**N/A**

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

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+ See chapter 19 for defined terms.

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 14 December 2012

Company secretary

Print name:

Bernard McInerney



# ANNEXURE to Toll Holdings Limited Appendix 3B

## 14 December 2012

### Section 3 of Appendix 3B:

#### **The Performance Conditions**

The Options and/or Rights are subject to Performance Conditions which are based on the following performance hurdles:

- Half are subject to a relative Total Shareholder Return (TSR) hurdle - Tranche 1 Options and/or Rights; and
- Half are subject to an Earnings Per Share (EPS) growth hurdle – Tranche 2 Options and/or Rights.

The performance hurdles are measured over the relevant Performance Period.

Further details of the Performance Conditions are set out below.

#### **(a) Tranche 1 Options and/or Rights - Relative TSR**

The Performance Condition for Tranche 1 Options and/or Rights is based on Toll's Total Shareholder Return (TSR) performance relative to entities within the S&P / ASX 100 comparator group (**Comparator Group**) for the Performance Period.

The Performance Period for Tranche 1 Options and/or Rights is the period beginning 1 July 2012 and ending 30 June 2015.

The Comparator Group consist of the top 100 companies listed on the ASX by market capitalisation. If any of the Comparator Group entities cease to exist as entities, they are excluded from the TSR calculation.

There is **NO retesting of Tranche 1 Options and/or Rights** which do not become exercisable on testing of the TSR-based Performance Condition.

#### **Table 1: Relative TSR Performance Condition**

The percentage of Tranche 1 Options and/or Rights which may be exercised, if any, will be determined by the Board by reference to the percentile ranking achieved by Toll over the relevant Performance Period compared to the Comparator Group as follows:

<b>Level of relative TSR Performance for the Performance Period</b>	<b>Percentage (%) of Tranche 1 Options and/or Rights which may be exercised</b>
< 50 <sup>th</sup> percentile	0%
50 <sup>th</sup> percentile	50%
> 50 <sup>th</sup> percentile but < 75 <sup>th</sup> percentile	Progressive/pro rata vesting from 50% to 100%
≥ 75 <sup>th</sup> percentile	100%

Any Tranche 1 Options and/or Rights which do not become exercisable on testing will lapse.

**Tranche 1 Options and/or Rights which are not exercised by 5pm (AEST) on 25 September 2017 lapse.**

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+ See chapter 19 for defined terms.

## (b) Tranche 2 Options and/or Rights – EPS Growth

The Performance Condition for Tranche 2 Options and/or Rights is based on the cumulative compound growth in Toll's Earnings Per Share (post-amortisation and excluding non-recurring abnormal items) for ongoing business operations calculated on a fully diluted basis over the relevant Performance Period (**EPS Growth**).

**Table 2: EPS Performance Condition**

The number of Tranche 2 Options and/or Rights which become exercisable, if any, will be determined by the Board by reference to the level of EPS Growth for the relevant Performance Period as follows:

Achievement of EPS Growth over the Performance Period	Percentage (%) of Tranche 2 Options and/or Rights which may be exercised
< 10% per annum (pa) growth	0%
10% pa growth	50%
> 10% pa growth but < 15% pa growth	Progressive/pro rata vesting from 50% to 100%
≥ 15% pa growth	100%

The relevant Performance Periods for Tranche 2 Options and/or Rights are as follows:

Test	Performance Period
Initial Test Period	1 July 2012 to 30 June 2015
First Retest Period	1 July 2012 to 30 June 2016
Second Retest Period	1 July 2012 to 30 June 2017

- Tranche 2 Options and/or Rights which do not become exercisable on testing of the EPS Growth hurdle for the Initial Test Period, will remain on-foot and will be retested for EPS Growth over the First Retest Period.
- Tranche 2 Options and/or Rights which do not become exercisable in respect of the First Retest Period will continue on-foot and be retested for EPS Growth over the Second Retest Period.
- Tranche 2 Options and/or Rights which do not become exercisable on testing of EPS Growth over the Second Retest Period, lapse.

**Tranche 2 Options and/or Rights which are not exercised by 5pm (AEST) on 25 September 2017, lapse.**

Sign here:



Date 14 December 2012

Print name:

Company secretary  
Bernard McInerney