

9 September 2016

**2016 Notice of Meetings**

Please find attached the 2016 Notice of Annual General Meetings and Notice of Meeting for Transurban Holdings Limited, Transurban International Limited and Transurban Holding Trust, and Proxy Form, that are being mailed to security holders today. These documents are also available online at [www.transurban.com](http://www.transurban.com)



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Classification **Public**

**Transurban Group**

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# 2016

# NOTICE OF MEETINGS

This booklet contains the Notice of Annual General Meetings  
and Notice of General Meeting for

Shareholders of Transurban Holdings Limited  
ABN 86 098 143 429

Shareholders of Transurban International Limited  
ABN 90 121 746 825

and

Unitholders of Transurban Holding Trust  
ARSN 098 807 419

**Thursday 13 October 2016 at 11:00am**

**Melbourne Exhibition Centre**

Melbourne Convention and Exhibition Centre  
2 Clarendon Street  
South Wharf Victoria 3006



# Location of the meetings

## Directions

**Arriving by tram:** Tram numbers 96, 109 and 12 travel down Spencer/Clarendon Streets and stop at stop 124a opposite the Clarendon Street entrance of the MEC. Tram numbers 48 and 70 stop at the end of Flinders Street. Walk towards the Yarra River and across Seafarers Bridge.

**Arriving by train:** Take the train to Southern Cross Station. Tram numbers 96, 109 and 112 travel past Southern Cross Station down Spencer/Clarendon Streets to stop 124a opposite the Clarendon Street entrance of the MEC.

**Arriving by taxi:** Ask your driver to take you to the 2 Clarendon Street, South Wharf drop off point.

**Arriving on foot:** Pedestrian access is along Southbank or across Seafarers Bridge.

**Parking:** Parking is available at the MCEC (Normanby Road) and adjacent carparks (outside DFO/Hilton South Wharf).

**Or go to:** <http://mcec.com.au/your-visit/getting-there/>



# Notice of meetings to stapled security holders

The Annual General Meetings of shareholders of Transurban Holdings Limited (THL) and Transurban International Limited (TIL) will be held in conjunction with a General Meeting of unitholders of Transurban Holding Trust (THT) (together, the **Transurban Group**) on Thursday, 13 October 2016 at 11.00am Australian Eastern Daylight Time (AEDT) at the Melbourne Exhibition Centre, Melbourne Convention and Exhibition Centre, 2 Clarendon Street, South Wharf Victoria 3006.

## Business

### Ordinary business

#### 1. Financial report (THL, TIL and THT)

To receive and consider the financial report, directors' report, and the auditor's report contained within the Transurban Group Annual Report for the year ended 30 June 2016.

#### 2. Election and re-election of directors (THL and TIL only)

To consider and, if appropriate, pass the following as separate ordinary resolutions:

(a) To elect a director of THL and TIL:

*"That Peter Scott, having been appointed as a director of THL and TIL since the last Annual General Meeting and who retires in accordance with rule 35(b) of the THL and TIL constitutions and, being eligible, is elected as a director of THL and TIL."*

(b) To re-elect a director of THL and TIL:

*"That Lindsay Maxsted, being a director of THL and TIL who retires in accordance with rule 35(e) of the THL and TIL constitutions, and being eligible, is re-elected as a director of THL and TIL."*

(c) To re-elect a director of THL and TIL:

*"That Samantha Mostyn, being a director of THL and TIL who retires in accordance with rule 35(e) of the THL and TIL constitutions, and being eligible, is re-elected as a director of THL and TIL."*

#### 3. Adoption of Remuneration Report (THL and TIL only)

To consider and, if appropriate, pass the following as an ordinary resolution:

*"That the Remuneration Report for the year ended 30 June 2016 be adopted."*

**Note** that the vote on this resolution is advisory only and does not bind the directors, THL or TIL.

#### Voting exclusion statement

The Corporations Act 2001 (**Corporations Act**) restricts members of the key management personnel (KMP) and their closely related parties from voting in relation to item 3 in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

The Transurban Group will disregard any votes cast on the proposed resolution in item 3:

- > by or on behalf of members of the KMP (being the directors and the other KMP named in the Remuneration Report for the year ended 30 June 2016) and closely related parties of those persons, regardless of the capacity in which the vote is cast; and
- > as a proxy by members of the KMP at the date of the meetings and their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on item 3:

- > in accordance with a direction on the proxy form; or
- > by the Chair of the meetings in accordance with an express authority to vote undirected proxies as the Chair sees fit even though item 3 is connected with the remuneration of the KMP.

**What this means for security holders:** If you intend to appoint a member of the KMP (such as one of the directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in item 3. If you intend to appoint the Chair of the meetings as your proxy, you can direct him how to vote by marking the boxes for item 3 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for item 3 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

### Special business

#### 4. Amendments to constitutions

To consider and, if appropriate, pass the following as separate special resolutions:

(a) To amend the constitutions of THL and TIL:

*"That the constitutions of THL and TIL each be amended in the form tabled at the meetings, initialled by the Chair of the meetings for identification and as described in the Explanatory Notes with effect from the close of the meetings."*

(b) To amend the constitution of THT:

*"That:*

*(i) the constitution of THT be amended in the form set out in the Supplemental Deed Poll tabled at the meetings and initialled by the Chair of the meetings for identification; and*

*(ii) Transurban Infrastructure Management Limited is authorised to execute the Supplemental Deed Poll and lodge it with ASIC to give effect to the amendments to the constitution."*

#### 5. Grant of performance awards to the CEO (THL, TIL and THT)

To consider and, if appropriate, pass the following as an ordinary resolution:

*"That approval be given for all purposes for the grant to the CEO, Scott Charlton, of up to 298,267 performance awards under the Transurban Group's Long Term Incentive Plan, on the terms summarised in the Explanatory Notes."*

### Voting exclusion statement

The Corporations Act restricts members of the KMP and their closely related parties from voting in relation to item 5 in certain circumstances. In addition, a voting restriction applies in respect of this item under the ASX Listing Rules.

The Transurban Group will disregard any votes cast on the proposed resolution in item 5:

- > by or on behalf of the CEO and any of his associates (regardless of the capacity in which the vote is cast); and
- > as a proxy by members of the KMP at the date of the meetings and their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on item 5:

- > in accordance with a direction on the proxy form; or
- > by the Chair of the meetings in accordance with an express authority to vote undirected proxies as the Chair sees fit even though item 5 is connected with the remuneration of the KMP.

**What this means for security holders:** If you intend to appoint a member of the KMP (such as one of the directors) or their closely related parties as your proxy, please ensure that you direct them how to vote on the proposed resolution in item 5. If you intend to appoint the CEO or an associate of the CEO as your proxy, please ensure that you direct them how to vote on the proposed resolution in item 5. If you intend to appoint the Chair of the meetings as your proxy, you can direct him how to vote by either marking the boxes for item 5 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for item 5 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

### 6. Non-executive director remuneration (THL, TIL and THT)

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

***“That, in accordance with the applicable constitution and ASX Listing Rule 10.17, the maximum aggregate amount which may be provided to all non-executive directors for their services as directors be increased by A\$600,000 to a maximum sum of A\$3,000,000 per year (inclusive of superannuation contributions), with effect from 13 October 2016.”***

### Voting exclusion statement

The ASX Listing Rules restricts directors of THL, TIL or Transurban Infrastructure Management Limited as responsible entity of THT or any of their associates from voting in relation to item 6.

The Transurban Group will disregard any votes cast on the proposed resolution in item 6:

- > by or on behalf of a director of THL, TIL or Transurban Infrastructure Management Limited as responsible entity of THT or any of their associates (regardless of the capacity in which the vote is cast); and
- > as proxy by a member of KMP on the date of the meetings and their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on item 6:

- > in accordance with a direction on the proxy form; or
- > by the Chair of the meetings in accordance with an express authority to vote undirected proxies as the Chair sees fit even though item 6 is connected with the remuneration of the KMP.

**What this means for security holders:** If you intend to appoint a member of the KMP (such as one of the directors) or their closely related parties as your proxy, please ensure that you direct them how to vote on the proposed resolution in item 6. If you intend to appoint the Chair of the meetings as your proxy, you can direct him how to vote by marking the boxes for item 6 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for item 6 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).



**Amanda Street**

Company Secretary of Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited (as responsible entity for Transurban Holding Trust)

## Explanatory Notes

These Explanatory Notes form part of the Notice and provide security holders with information to assess the merits of the proposed resolutions in the Notice.

### Item 1—Financial report (THL, TIL and THT)

The Transurban Group has prepared and will table at the meetings:

- > the consolidated financial report of THL, TIL and THT for the year ended 30 June 2016 (**Group Accounts**); and
- > the reports of the directors and the auditor on the Group Accounts.

The Chair of the meetings will allow security holders a reasonable opportunity as a whole to ask questions about, or make comments on, the management of THL, TIL and THT. The auditor, PricewaterhouseCoopers, will also attend the meetings and a reasonable opportunity will be given to security holders to ask questions of the auditor relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Security holders who elected to receive a hard copy of the Transurban Group Annual Report for the year ended 30 June 2016 were provided with a copy of the accounts with that report. A copy of the Annual Report is also available on the Transurban website at [transurban.com](http://transurban.com).

### Item 2—Election and re-election of directors (THL and TIL only)

The following director has been appointed since the 2015 meetings, and accordingly retires in accordance with rule 35(b) of the THL and TIL constitutions and, being eligible, offers himself for election:

#### (a) Peter Scott BE (Hons), M.Eng.Sc, Hon FIEAust, MICE

*Independent non-executive director*

Mr Scott was appointed a director on 1 March 2016.

Mr Scott has over 20 years of senior business experience in publicly listed companies and considerable breadth and expertise in the engineering and finance sectors. He was formerly the CEO of MLC and head of National Australia Bank's Wealth Management Division and held a number of senior positions with Lend Lease.

Mr Scott is currently Chair and a non-executive director of Perpetual Limited and of Perpetual Equity Investment Company Limited, Chair of Igniting Change Limited, and a member of the Prime Minister's Community Business Partnership.

**The directors of THL and TIL (other than Mr Scott) unanimously recommend that security holders vote in favour of the election of Mr Scott.**

The following directors retire by rotation in accordance with rule 35(e) of the THL and TIL constitutions and, being eligible, offer themselves for re-election:

#### (b) Lindsay Maxsted DipBus, FCA, FAICD

*Independent non-executive director*

Mr Maxsted was appointed a director on 1 March 2008 and became Chair on 12 August 2010.

Mr Maxsted is currently Chair and a non-executive director of Westpac Banking Corporation, and a non-executive director of BHP Billiton Limited and BHP Billiton plc. He is the managing director of Align Capital Pty Limited and the honorary treasurer of Baker IDI Heart and Diabetes Institute.

Mr Maxsted was formerly a partner of KPMG Australia and was the CEO of that firm from 2001 - 2007. His principal area of practice prior to this was in the corporate recovery field managing a number of Australia's largest insolvency/workout/turnaround engagements

**The directors of THL and TIL (other than Mr Maxsted) unanimously recommend that security holders vote in favour of the re-election of Mr Maxsted.**

#### (c) Samantha Mostyn BA, LLB

*Independent non-executive director*

Ms Mostyn was appointed a director on 8 December 2010.

Ms Mostyn has significant experience in the Australian corporate sector both in executive and non-executive capacities, in particular in the areas of human resources, corporate and government affairs, sustainability management, and diversity.

Ms Mostyn is currently Chair and a non-executive director of Citigroup Pty Limited and a non-executive director of Virgin Australia Holdings Limited, Cover-More Group Limited, and the Mirvac Group. She is President of the Australian Council for International Development. She is also a non-executive director of Australia Council for the Arts, and Chair of Carriageworks.

Ms Mostyn is currently Deputy Chair of the Diversity Council of Australia, and is a member of the NSW Climate Change Council, the advisory boards of ClimateWorks Australia, the Crawford School of Government and Economics, Australian National University and Commissioner of the Business and Sustainable Development Commission.

**The directors of THL and TIL (other than Ms Mostyn) unanimously recommend that security holders vote in favour of the re-election of Ms Mostyn.**

### Item 3—Adoption of Remuneration Report (THL and TIL only)

The Remuneration Report details various matters regarding the remuneration of Transurban's non-executive directors, the CEO and other senior executives, and is set out in the Transurban Group Annual Report for the year ended 30 June 2016. The Remuneration Report:

- > explains the Board's policies in relation to the objectives and structure of remuneration;
- > discusses the relationship between those policies and the Transurban Group's performance;
- > provides a detailed summary of performance measures, why they were chosen and how performance is measured against them; and
- > sets out the remuneration details for each director and each of the other KMP of the Transurban Group.

The Chair of the meetings will allow security holders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The vote on the adoption of the Remuneration Report is advisory only and does not bind the directors, THL or TIL. However, the directors will take the outcome of the vote into consideration when setting remuneration practices and policies for future years.

**The directors of THL and TIL unanimously recommend that security holders vote in favour of adopting the Remuneration Report.**

## Special business

### Item 4—Amendment to constitutions

Following the introduction of the new attribution managed investment trusts (AMIT) regime it is proposed that THT's constitution be amended to enable Transurban Infrastructure Management Limited (as the responsible entity of THT) (TIML) to properly administer that regime. Security holders are being asked to approve these amendments.

As part of considering these amendments, the directors of THL, TIL and TIML have also reviewed the Transurban Group's constitutions and are proposing additional amendments to, broadly:

- > provide the Transurban Group with appropriate capital management flexibility to reflect the range of developments in that area; and
- > update for ancillary changes in regulatory requirements, that have evolved since the THL and TIL constitutions were adopted and, in the case of the THT constitution, last amended.

All of the proposed amendments to the constitutions are described below.

A copy of the proposed amended constitutions can be obtained by security holders prior to the meetings at no charge by written request to Amanda Street, Company Secretary, at Level 23, 727 Collins Street, Docklands, VIC 3008 or by email to [astreet@transurban.com](mailto:astreet@transurban.com).

A copy of each of the amended constitutions will also be available for inspection at the meetings.

### Amendments to the THT constitution

The following amendments are proposed to be made to the constitution of THT.

PROPOSED AMENDMENT	COMMENTARY
<p><b>1 Amending the trustee's power provisions to enable TIML to administer the AMIT regime</b></p>	<p>The purpose of the proposed amendments is to provide TIML with the required degree of flexibility to administer the AMIT regime, including the ability to make any choices or elections under the AMIT regime, administer the attribution model of taxation, and reconcile variances between amounts actually attributed to security holders and amounts that should have been attributed.</p> <p>The attribution model enacted under the AMIT rules requires the trustee to attribute tax amounts to members on a fair and reasonable basis in accordance with the trust's constituent documents. The amendments ensure that TIML is able to administer the attribution model in a manner that is consistent with its current practice.</p> <p>Under the attribution model, TIML will have the choice to:</p> <ul style="list-style-type: none"> <li>&gt; use the unders and overs system, which introduces a formal system that recognises current industry practice of allowing errors in calculating taxable income (referred to as "unders" and "overs") to be rectified by making adjustments in the year they are discovered; or</li> <li>&gt; reissue AMIT member annual statements to security holders in respect of any variance between the calculated taxable income of the trust and the actual taxable income, thereby reconciling a variance to the year in which the under or over relates.</li> </ul> <p>This is consistent with TIML's current practice.</p>
<p><b>2 Amend income and distributions provisions to ensure appropriate interaction with the attribution model</b></p>	<p>The proposed amendments provide TIML with greater flexibility in determining the distributable income for a distribution period.</p> <p>The proposed amendments also provide clarity to security holders on distributions by inserting default mechanisms into the distribution provisions. The proposed amendments will allow distribution entitlements to be calculated in the event that TIML does not make a determination within the specified time.</p> <p>In the event that THT is not an AMIT for an income year (noting that the AMIT requirements are applied annually), the proposed amendments also ensure that security holders will be presently entitled to the income of the trust under the current regime for the taxation of trusts, thereby avoiding TIML being liable for tax as the trustee.</p>
<p><b>3 Reference to outdated accounting standards to be updated</b></p>	<p>The proposed amendment will update the accounting standards referred to in the constitution to reflect the current Australian Accounting Standards.</p>

PROPOSED AMENDMENT	COMMENTARY
<p><b>4 Amending the issuance/capital raising provisions to facilitate capital raisings</b></p>	<p>The proposed amendments allow the Transurban Group to take full advantage of recent ASIC policy, implemented by ASIC Class Order [C013/655], which provides flexibility to ASX listed registered managed investment schemes to conduct capital raisings.</p> <p>The purpose of the amendments is to provide the Transurban Group with the maximum flexibility available and is consistent with the notice lodged by TIML on 24 November 2015 notifying of its decision to “opt in” to ASIC Class Order [C013/655]. In particular:</p> <ul style="list-style-type: none"> <li>&gt; the 10% discount limit on the issue price for placements without security holder approval will be removed;</li> <li>&gt; the annual limit on issuances of units of 15% in any 12 month period will be removed, meaning that only the capital limits under the ASX Listing Rules will apply. The Listing Rules also apply a 15% limit over any capital issues in a 12 month period but there are some exceptions that allow this to occur (eg. with the approval of security holders). These exceptions are not currently provided for under the THT constitution;</li> <li>&gt; the 50% discount limit on the issue price for rights issues of options and units will be removed;</li> <li>&gt; express limits on the ability to issue units to associates of TIML will be removed (noting that limitations on the issue of units to associates, including related bodies corporate, exist under ASX Listing Rule 10.1); and</li> <li>&gt; the express requirement to offer options at substantially the same time under rights issues of options will be removed. This will provide further flexibility in raising capital, including facilitating accelerated rights issues of options conducted in accordance with ASIC policy.</li> </ul>
<p><b>5 Introducing provisions to facilitate on-market and off-market buy backs</b></p>	<p>While the Transurban Group is listed, the proposed amendments allow TIML to purchase units on ASX or off-market and cause units to be cancelled (without payment of a redemption price) in accordance with the Corporations Act (as modified) and the ASX Listing Rules.</p> <p>This is consistent with the ability of THL and TIL to conduct share buy backs (as permitted under the Corporations Act) and therefore gives the Transurban Group the flexibility to conduct off and on-market buy-backs should it wish to do so in the future. There is no current intention to conduct any such buy back.</p> <p>The amendments provide that for so long as the THT units are stapled to the THL and TIL shares:</p> <ul style="list-style-type: none"> <li>&gt; TIML will be permitted to buy-back and cancel the units if all attached securities (ie. the THL and TIL shares) are also the subject of contemporaneous buy-back and cancellation; and</li> <li>&gt; TIML will be able to determine what proportion of the price paid for the stapled security under the buy back is to be paid from the assets of THT.</li> </ul> <p>A key benefit of the new provision will be to give the Transurban Group the flexibility to conduct buy backs in accordance with the ASX Listing Rules and the Corporations Act. This includes the ability to conduct on-market buybacks of up to 10% of capital over a 12 month period without needing to seek security holder approval.</p>
<p><b>6 To support the proposed capital management amendments under items 4 and 5 above, it is proposed that:</b></p>	<p>The proposed amendment authorises TIML to insert or delete provisions of the THT constitution if required to comply with any requirement of the Corporations Act, ASX Listing Rules, ASIC relief or ASX waivers (or to reflect any update or repeal of any such requirement).</p> <p>A key benefit of this provision is that TIML will be able to amend the THT constitution to meet the requirements of applicable Corporations Act or ASX Listing Rules (or the requirement of any relief or waiver in respect of either of them) if it considers it is the best interests of security holders to do so.</p> <p>The proposed amendments improve TIML’s power to conduct unit consolidations or splits so that TIML can round fractional entitlements that result. Without this power, the Transurban Group would effectively be prevented from conducting splits or consolidations in most circumstances.</p> <p>TIML has no current intention to conduct a split or consolidation of units.</p>



## Other matters

Various other less significant amendments are proposed to be made to the constitutions of THL, TIL and THT. These proposed amendments are for clarification purposes and/or administrative in nature and are summarised as follows:

PROPOSED AMENDMENT	COMMENTARY
1 <b>Enhance the distribution and reductions of capital provisions</b>	<p>The Transurban Group already has expansive provisions to facilitate the payment of distributions and to effect reductions of capital. As part of providing the Transurban Group with appropriate capital management flexibility, the existing dividend and reduction of capital provisions have been enhanced further to give the directors of THL, TIL and TIML broader powers to facilitate, as applicable, dividends or other distributions in kind (such as by the distribution to security holders of shares in another entity).</p> <p>The existing ancillary powers have also been strengthened to enable THL, TIL and TIML (as applicable) to, among other things:</p> <ul style="list-style-type: none"><li>&gt; disregard certain transfers of securities when the directors believe security holdings have been split to obtain benefit of rounding on fractions of shares;</li><li>&gt; make cash payments in lieu of issuing securities in specific circumstances, for example where it would be impracticable, illegal or unlawful or with the agreement of the security holder; and</li><li>&gt; provide distributions in currencies other than Australian dollars if and when the directors consider it necessary and at exchange rates determined by the directors.</li></ul>
2 <b>Updates to definitions and interpretation provisions</b>	<p>Various defined terms used in the THL, TIL and THT constitutions have been updated to reflect the current Corporations Act and ASX Listing Rules (eg. changes to the settlement and clearing rules).</p> <p>At the same time, the THL and TIL constitutions have been updated to include a provision that replicates Appendix 15A to the ASX Listing Rules. The purpose of this amendment is to ensure that the constitutions are at all times consistent with the ASX Listing Rules and to align the THL and TIL constitutions with the existing THT constitution which already contains a similar provision. Appendix 15A is a "supremacy" clause which ensures that the ASX Listing Rules will prevail to the extent that there is an inconsistency between the THL and TIL constitutions and the ASX Listing Rules.</p>

The directors of THL, TIL and TIML unanimously recommend that security holders vote in favour of amending the constitutions.

### Item 5—Grant of performance awards to the CEO (THL, TIL and THT)

Security holder approval is being sought for the proposed grant of performance awards to the CEO, Scott Charlton, under the Transurban Group's Long Term Incentive (LTI) Plan on the terms set out below.

As any Transurban securities to be delivered to the CEO upon vesting of the performance awards will be purchased on-market, the Transurban Group is not required by law to seek security holder approval for the proposed grant. However, the Transurban Group considers it appropriate to seek security holder approval as a matter of good, transparent corporate governance.

#### LTI Plan terms and conditions

If security holder approval is obtained, performance awards will be granted to the CEO as part of his remuneration package for the 2017 financial year. Each performance award entitles the CEO to one fully paid ordinary Transurban stapled security at the end of a three year performance period, subject to the satisfaction of the performance measures described below. Securities allocated to the CEO on vesting of the performance awards will rank equally with other Transurban securities.

The total number of performance awards to be granted to the CEO is based on the respective value of each of the components of the LTI grant, applying the relevant valuation methodology (as set out below).

For the TSR measure component (see below for a description of the TSR measure), the valuation methodology is based on a fair value calculation using a Monte-Carlo simulation (consistent with the methodology required under the applicable accounting standard). The number of performance awards to be granted in respect of the TSR component is calculated based on 50% of the CEO's LTI opportunity divided by the relevant fair value.

For the FCF measure component (see below for a description of the FCF measure), the valuation methodology is based on a face value approach (discounted for anticipated distributions and/or dividends). The number of performance awards to be granted in respect of the FCF component is calculated based on 50% of the CEO's LTI opportunity divided by the relevant face value.

Taking into account the above valuation methodology for each component, the total number of performance awards to be granted to the CEO will not exceed 298,267.

As the CEO's grant forms his LTI remuneration, the performance awards will be granted at no cost to the CEO and no amount is payable on vesting of the performance awards. The performance awards will be granted under, and subject to, the rules of the Transurban Group's LTI Plan. Performance awards do not carry any distribution or voting rights prior to vesting.

If security holder approval is obtained, it is anticipated that the performance awards will be granted to the CEO shortly after the meetings. No performance awards will be granted pursuant to this approval more than 12 months after the date of the meetings.

If the performance measures are satisfied, the performance awards will automatically vest. Whilst the Board has discretion to grant cash payments of equivalent value at the end of the performance period, it is the Board's current intention to settle any vested performance awards in Transurban securities. If the vested performance awards are settled in securities, the Transurban Group will acquire securities on-market on a one-for-one basis. The securities will be transferred to the CEO following acquisition. Any securities delivered to the CEO on vesting will be acquired on-market and, therefore, will not dilute existing security holdings.

To compensate the CEO for the remuneration he would forego if security holder approval is not obtained, the Transurban

Group may pay the CEO a cash amount (equivalent to the value the grant would have had at vesting had it been approved by security holders). The CEO will only receive a cash payment if the performance measures are satisfied.

#### Performance measures

The performance awards will be granted to the CEO in two equal tranches and are subject to the following performance measures over a three year performance period:

- > relative TSR tranche - half of the performance awards will be subject to a vesting condition based on relative Total Shareholder Return (**TSR**) measured against a bespoke comparator group comprising companies within the ASX top 150 in the transport, utilities, real estate, construction and infrastructure Global Industry Classification Standards (GICS) sectors; and
- > FCF per security tranche - half of the performance awards will be subject to a vesting condition linked to Free Cash Flow (**FCF**) per security, which reflects the Transurban Group's focus on the maximisation of free cash to drive security holder return.

The performance awards lapse if the performance measures are not met at the end of the performance period. There is no re-testing of performance awards after the vesting date.

#### Relative TSR measure

The relative TSR tranche of the performance awards will vest if the Transurban Group's relative TSR performance is at least above the median of the bespoke comparator group of companies at the end of the three year performance period, in accordance with the following vesting schedule:

THE TRANSURBAN GROUP'S RELATIVE TSR RANKING AGAINST THE COMPARATOR GROUP	% OF PERFORMANCE AWARDS THAT VEST
At or below the 50th percentile	Nil
Above the 50th percentile but below the 75th percentile	Straight line vesting between 50-100%
At or above the 75th percentile	100%

The performance period will run from 1 July 2016 until 30 June 2019. At the end of the performance period the Transurban Group will receive an independent report that presents the Transurban Group's TSR growth against the bespoke comparator group and that of each company in the comparator group. Rankings are awarded (the highest ranking company being ranked at the 100th percentile) to determine the extent to which performance awards subject to this performance measure will vest. As shown by the schedule above, no performance awards will vest unless the Transurban Group's relative TSR is above the 50th percentile.

#### Free Cash Flow per security measure

Within the Transurban Group, FCF per security is defined as:

- > Cash flows from operating activities
- > **Add back:** transaction and integration costs related to acquisitions (non 100% owned entities)
- > **Add back:** payments for maintenance of intangible assets
- > **Less:** cash flows from operating activities from consolidated non 100% owned entities
- > **Less:** allowance for maintenance of intangible assets for 100% owned assets
- > **Adjust for:** distributions and interest received from non 100% owned entities
- > **Divided by:** weighted average of securities issued based on their eligibility for distributions during the year.

The FCF per security tranche of the performance awards will vest depending on the Transurban Group's compound average annual growth targets translated into annual FCF growth over the three year performance period. The FCF per security vesting schedule is as follows:

% AVERAGE ANNUAL GROWTH IN FCF PER SECURITY (FCF BASE OF 45.5 CENTS PER SECURITY)	% OF PERFORMANCE AWARDS THAT VEST
9%	50%
Between 9% and 12%	Straight line vesting between 50-100%
12% or more	100%

The FCF calculation is determined on a per security basis by the Board, in its sole discretion. The Board has discretion to adjust the calculation of FCF per security (for example, to exclude the impact of significant events that may occur during the performance period). The number of securities will be calculated for each financial year and will be expressed as a weighted average over the relevant period. The movement in FCF per security best reflects the Transurban Group's underlying business performance.

The Transurban Group's FCF outcome for each financial year will be included in the Transurban Group's audited financial statements for the relevant year.

#### Treatment of performance awards on cessation of employment

If the CEO ceases employment before the vesting conditions are tested the CEO will not be entitled to retain his unvested performance awards and all unvested performance awards will generally lapse (unless the Board determines otherwise).

#### Change of control

In the event of a takeover or change of control of the Transurban Group, any unvested performance awards will vest at the discretion of the incumbent Board. Performance awards that vest following a change of control will not generally be subject to restrictions on dealing.

#### Other information

In relation to the LTI Plan:

- > the CEO is the only director entitled to participate in the LTI Plan;
- > in accordance with security holder approval obtained at the 2015 meeting, Mr Charlton has been granted 292,441 performance awards, at no cost, under the plan since the last approval;
- > there is no loan scheme in relation to the performance awards;
- > the CEO is prohibited from hedging the security price exposure in respect of performance awards during the performance period applicable to those performance awards; and
- > if security holder approval is obtained, further details of the performance awards granted to the CEO under the LTI Plan in the 2017 financial year will be provided in the Remuneration Reports for the years ending 30 June 2017, 2018 and 2019 respectively..

**The directors of THL, TIL and TIML (other than Mr Charlton) consider the grant of performance awards to the CEO to be appropriate in all the circumstances and unanimously recommend that security holders vote in favour of the grant.**

## **Item 6—Non-executive remuneration (THL, TIL and THT)**

The current maximum aggregate amount approved by security holders to be paid as remuneration to all non-executive directors (excluding expenses and fees for any extra services performed) is A\$2,400,000 million per year (inclusive of superannuation contributions). This sum was approved at the 2010 Annual General Meetings.

ASX Listing Rule 10.17 provides that a listed entity may not, without security holder approval, increase the total amount of non-executive directors' fees.

The Transurban Group undertakes regular reviews of the fees paid to non-executive directors to ensure that the fees paid are competitive and enable Transurban to attract and retain high calibre directors. This review includes consideration of fees paid to non-executive directors of comparable Australian listed entities. A particular director's performance, duties and responsibilities are all considered as part of the review process.

Pursuant to Listing Rule 10.17 security holder approval is sought to increase this sum by A\$600,000 to a new maximum aggregate amount of A\$3,000,000 million per year (inclusive of superannuation contributions), with effect from 13 October 2016. The Board considers that it is appropriate to seek approval for this increase at this time for a number of specific reasons:

- > to provide the Board with the strategic flexibility to make additional Board appointments as appropriate;
- > to assist with orderly Board succession planning and facilitate the orderly transfer of director responsibilities to new directors; and
- > to allow the Board to continue to retain and attract appropriately qualified directors and remunerate such directors at a market competitive level.

The non-executive directors' fee cap includes fees that are paid to non-executive directors for serving on the Board and its committees. Superannuation contributions that Transurban is required to pay on behalf of non-executive directors are also included.

Increasing the maximum aggregate amount of non-executive directors' remuneration does not mean that the whole of the new maximum aggregate will be used. The proposed increase will provide Transurban with the flexibility to ensure that a top calibre Board of appropriate size serves Transurban and its security holders.

During the past three years, no securities have been issued to non-executive directors under ASX Listing Rule 10.11 or 10.14 that required the approval of security holders.

**As the non-executive directors have a personal interest in the proposed resolution, the directors of THL, TIL and TIML make no recommendation as to how security holders should vote on this resolution.**

## **General**

### **Stapled security holder meetings**

At present, the shares in THL and TIL and the units in THT are stapled together under the THL constitution, the TIL constitution and the THT constitution to form stapled securities. This means that all shareholders of THL and TIL are also unitholders of THT and, as such, the meetings of THL and TIL and of THT are held concurrently.

## **Required majority and voting entitlement**

The resolutions described in items 2, 3, 5 and 6 are ordinary resolutions and each will be passed if at least 50% of votes cast by security holders entitled to vote on the resolution are cast in favour of the resolution.

The resolutions described in item 4 are special resolutions and will be passed if at least 75% of votes cast by security holders entitled to vote on the resolutions are cast in favour of the resolution.

The vote on each resolution will be decided on a show of hands or a poll as determined by the Chair of the meetings, subject to any requirements of the Corporations Act and the THL, TIL and THT constitutions

On a resolution of THL, TIL or THT determined by a show of hands, each security holder present in person or by proxy has one vote. On a resolution of THL or TIL determined by a poll, each security holder present in person or by proxy has one vote for each fully paid ordinary share held. On a resolution of THT determined by a poll, each security holder present in person or by proxy has one vote for every dollar of the value of the total interest they have in THT. The value of a security holder's total interest in THT will be calculated by reference to the last sale price of stapled securities on the ASX on Wednesday, 12 October 2016.

## **Voting and proxies**

### **Eligibility to vote**

For the purposes of determining entitlement to vote at the meetings, stapled securities will be taken to be held by those registered as holders as at 7:00pm AEDT on Tuesday, 11 October 2016. Transactions registered after that time will be disregarded in determining security holders' entitlement to vote at the meetings.

### **Proxies and corporate representatives**

A security holder can attend and vote at the meetings either by:

- > attending and voting in person, or if the security holder is a corporate security holder, appointing a representative on the security holder's behalf; or
- > appointing an attorney or a proxy to attend and vote for the security holder.

### **Voting by corporate representative**

Any corporate security holder or proxy must appoint a person to act as its representative. The representative must bring a formal notice of appointment signed as required by section 127 of the Corporations Act or the constitution of the corporation. A form of notice of appointment can be obtained from Computershare Investor Services Pty Limited or downloaded from [www.investorcentre.com/au](http://www.investorcentre.com/au).

### **Voting by proxy**

If a security holder does not want to attend the meetings but is entitled to attend and vote, the security holder can appoint a representative or the Chair as proxy to vote for the security holder. A representative can be a natural person, but does not need to be a member of Transurban. If the representative is a proxy, the proxy can be appointed in respect of some or all of the votes held by the security holder. If the security holder is entitled to cast two or more votes, the security holder can appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the proportion or number of votes is not specified, each proxy may exercise half the votes. If a security holder appoints two proxies, neither are

entitled to vote as proxy on a show of hands at the meetings. On a poll, each proxy may only exercise votes in respect of those securities or voting rights the proxy represents.

Completed proxy forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned to Computershare Investor Services Pty Limited at least 48 hours before the meetings for the proxy to be effective (that is, no later than 11.00am AEDT on Tuesday, 11 October 2016). The proxy form and authority must be returned as set out below:

> **personally to:**

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston St  
Abbotsford VIC 3067

> **by post to:**

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
(An envelope is enclosed)

> **by facsimile to:**

Computershare Investor Services Pty Limited  
1800 783 447 (within Australia)  
(+613) 9473 2555 (outside Australia)

> **online at:**

[www.investorvote.com.au](http://www.investorvote.com.au)

To use this facility you will need the enclosed proxy form as it contains your Control Number and your Securityholder Reference Number (a ten digit number beginning with I) or Holder Identification Number (a ten digit number beginning with an X), which form your Personal Identification Number (PIN) to verify the transmission. Alternatively scan the QR Code on your enclosed proxy form with your mobile device.

> **online for Intermediary Online subscribers only at:**

[www.intermediaryonline.com](http://www.intermediaryonline.com)

#### Voting exclusions

Certain voting restrictions apply to items 3, 5 and 6. If you wish to appoint a member of the KMP (which includes each of the directors and the Chair) as your proxy, please read the voting exclusions carefully. Security holders are encouraged to direct their proxies how to vote.

#### How the Chair will vote available proxies

The Chair of the meetings intends to vote all available proxies in favour of the resolutions set out in this Notice.

#### Default to the Chair

Any directed proxies that are not voted on a poll at the meetings will automatically default to the Chair of the meetings, who is required to vote proxies as directed.

#### Voting by attorney

Where a security holder appoints an attorney to act on his or her behalf at the meetings, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by 11.00am AEDT on Tuesday, 11 October 2016. The power of attorney must be returned to Computershare Investor Services Pty Limited as set out above.

#### Admission to meetings

Proof of identity will be required.

Security holders or their proxies, attorneys or representatives who will be attending the meetings are asked to arrive 15 minutes prior to the start of the meetings and to bring their proxy form to help speed admission. Security holders who appoint a proxy or attorney may still attend the meetings. However, if the security holder votes on a resolution, the proxy or attorney is not entitled to vote as that security holder's proxy or attorney on the resolution.

Security holders who do not plan to attend the meetings are encouraged to complete and return a proxy form.

#### Webcast

A live webcast of the meetings will be available on the Transurban website at [www.transurban.com](http://www.transurban.com) from 11.00am on Thursday, 13 October 2016. The webcast will be recorded and be made available to view after the meetings.

#### Conducting the meetings

The meetings are intended to give security holders the opportunity to:

- > hear presentations from the Chair and the CEO about the operations and performance of the Transurban Group and the outlook for the year ahead;
- > consider and vote on the resolutions before the meetings; and
- > ask questions of the Board, management and the auditor generally on the items of business before the meetings, the management of the Transurban Group, the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit. The Chair and the CEO will generally answer questions on behalf of the Board and management.

To help achieve these objectives the Transurban Group will:


- > webcast the meetings for the benefit of those security holders unable to attend the meetings in person;
- > provide a reasonable opportunity for security holders at the meetings to ask questions of the Board;
- > make sign language (AUSLAN) available for security holders with hearing difficulties;
- > answer security holders' questions honestly and fairly. If a question cannot be answered at the meetings, the Transurban Group will seek to provide a response to the security holder asking the question after the meetings; and
- > inform security holders as to the proxy voting positions with respect to the resolutions to be considered by the meetings and the manner in which the Chair of the meetings intends to vote available proxies.

To help achieve these objectives the Transurban Group asks that security holders:

- > are courteous and respectful to all security holders and others attending the meetings;
- > keep their questions and comments to a reasonable length of time to allow as many security holders as possible who may wish to speak at the meetings the opportunity to do so; and
- > confine their questions to the matters before the meetings.



## 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 Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 360 146  
(outside Australia) +61 3 9415 4315

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MR JOHN SAMPLE  
FLAT 123  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN VIC 3030

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number:** 123456

**SRN/HIN:** I1234567890 **PIN:** 123456

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 (AEDT) on Tuesday, 11 October 2016**

### 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 or abstain as they choose (to the extent permitted by law). 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 on each item of business must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the Meetings 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 on a poll. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf. If you appoint two proxies neither may vote on a show of hands.

**A proxy need not be a security holder of Transurban.**

#### Default to the Chair of the Meetings

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meetings, then the proxy appointment will automatically default to the Chair of the Meetings, who is required to vote the proxies as directed.

**GO ONLINE TO APPOINT YOUR PROXY,  
or turn over to complete the form →**

#### Proxy voting by key management personnel

Voting exclusions apply to items 3, 5 and 6 (see the Notice of Meetings for full details). Therefore, if you intend to appoint a member of the key management personnel or one of their closely related parties as your proxy on items 3, 5 and 6, or an associate of the CEO as your proxy on item 5, or an associate of a director of Transurban as your proxy on item 6, please ensure that you direct them how to vote on items 3, 5 and 6 by marking the 'for', 'against' or 'abstain' box for items 3, 5 and 6 (except in the case of the Chair of the Meetings, where you may expressly authorise him or her to vote your undirected proxy – see Step 1 overleaf).

#### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the security holder must sign.

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

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

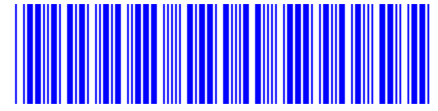
**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed 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 Meetings

Bring this form to assist registration. If a representative of a corporate security holder or proxy is to attend the Meetings 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.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

MR JOHN 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. Security holders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 1234567890 I N D

# 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 Transurban hereby appoint

the Chair of the Meetings **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chair of the Meetings. 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 Chair of the Meetings, as my/our proxy to act generally at the Meetings on my/our behalf and to vote in accordance with the following directions (or if no directions have been given and to the extent permitted by law, as the proxy sees fit) at the Annual General Meetings of Transurban to be held at the Melbourne Exhibition Centre, Melbourne Convention and Exhibition Centre, 2 Clarendon Street, South Wharf, Victoria 3006 on Thursday, 13 October 2016 at 11.00am (AEDT) and at any adjournment or postponement of the Meetings.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meetings as my/our proxy (or the Chair of the Meetings becomes my/our proxy by default), by signing and returning this form I/we expressly authorise the Chair to exercise my/our proxy on Items 3, 5 and 6 (except where I/we have indicated a different voting intention below) even though Items 3, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

## 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 2a To elect a director of THL and TIL - Peter Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2b To re-elect a director of THL and TIL - Lindsay Maxsted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2c To re-elect a director of THL and TIL - Samantha Mostyn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Adoption of Remuneration Report (THL and TIL only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4a To amend the constitutions of THL and TIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4b To amend the constitution of THT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Grant of performance awards to the CEO (THL, TIL and THT)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Non executive director remuneration (THL, TIL and THT)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meetings intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meetings may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of security holder(s) *This section must be completed.*

Individual or security holder 1

Sole Director and Sole Company Secretary

security holder 2

Director

security holder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_ Date / /