

# TRANSFIELD SERVICES INFRASTRUCTURE FUND

## CHARTER OF THE BOARD OF DIRECTORS



### 1. BACKGROUND

Transfield Services Infrastructure Fund (**TSI Fund**) is a triple-stapled structure, whereby a unit in Transfield Services Infrastructure Trust (**TSIT**) is stapled to one share in Transfield Services Infrastructure Limited (**TSIL**), and one share in TSI International Limited (**TSIIL**), so that none of the securities (unit and shares) can be dealt with separately.

Transfield Services Limited (**Transfield Services**) is a major securityholder of TSI Fund. Transfield Services (Australia) Pty Limited (TSAPL), a subsidiary of Transfield Services, has entered into a management services agreement with TSIL, TSIIL and Infrastructure Fund Management Limited, as responsible entity of TSIT. Under this agreement, TSAPL will act as manager (**Manager**) in sourcing new investments, and providing management, corporate and administrative services in relation to TSI Fund.

### 2. GENERAL SCOPE

Each board of TSI Fund (**Board**) was established in accordance with each constitution of the entities comprising the TSI Fund (**Constitution**).

The relevant provisions of each Constitution for regulating the meetings and proceedings of each Board govern proceedings and meetings of that Board, in so far as they are applicable and consistent with these terms of reference.

TSI Fund's corporate governance framework will also be used for guidance.

### 3. AUTHORITY

Each Board is responsible for TSI Fund's overall performance, including the establishment and maintenance of sound corporate governance practices.

Each Board delegates operational authority to TSI Fund's Chief Executive Officer, (subject to specified limits), but maintains overall responsibility for strategic direction and the performance of TSI Fund to protect and enhance securityholder value.

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**4. PURPOSE**

The purpose of the Board is to:

- (a) Consider management recommendations and make decisions on key issues such as budget, strategic plans, investment proposals and significant capital expenditure;
- (b) Review financial information in liaison with external auditors and constantly monitor the position of TSI Fund;
- (c) Undertake stewardship and protection of TSI Fund's assets;
- (d) Monitor compliance with law, major policies, the Code of Conduct and TSI Fund's contractual obligations;
- (e) Identify and manage key risks in liaison with TSI Fund's management;
- (f) Ensure an informed market exists at all times in respect of TSI Fund;
- (g) Monitor management succession and selection of a Chief Executive Officer at the appropriate time; and
- (h) Evaluate the performance of, and recommend to the Manager, remuneration and incentives for the Chief Executive Officer and Chief Finance Officer.

The Board may refer its functions to Board committees established from time to time or seek advice from third parties, including advisory committees formed to provide the Board with expert advice on specific matters, as appropriate.

**5. COMPOSITION**

The Board shall consist of a:

- (a) An independent non-executive Chairman;
- (b) A majority of independent non-executive directors; and
- (c) A minority of nominee directors of Transfield Services Limited as the major securityholder in accordance with each Constitution.

The Board will also ensure that its composition, size and commitment is sufficient so as to discharge its duties effectively at all times.

The Board will be responsible for:

- (a) Assessment of the necessary and desirable competencies of Board members;

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- (b) Establishment and review of Board succession plans;
- (c) Evaluation of its own performance;
- (d) Consideration and appointment of new directors; and
- (e) Establishment and oversight of induction procedures for new directors.

### 6. DUTIES AND RESPONSIBILITIES

The specific duties and responsibilities of the Board include the following.

#### Securityholder returns

The duties and responsibilities in this instance are to:

- (a) Grow total securityholder return;
- (b) Grow distributions per security;
- (c) Grow market capitalisation; and
- (d) Achieve geographic and asset diversity.

#### Corporate governance

Maintain a high standard of corporate governance to ensure that securityholders are properly and promptly informed on all appropriate matters.

#### Health, safety and environment

Ensure that TSI Fund's standards for occupational health and safety and environmental protection in all of its operations are in line with the highest appropriate practice.

#### Board conduct

Ensure that the Board operates as a cohesive and harmonious unit, working co-operatively and openly with management in the pursuit of TSI Fund's objectives.

The Board will ensure:

- (a) There is regular assessment of the independence of each director;
- (b) Potential conflicts of interest by directors are reported to the Board and interested directors will be excluded from voting on that matter in accordance with TSI Fund's corporate governance framework;
- (c) Each year, directors participate in a performance review of the Board and directors, according to an approved process involving the full Board;
- (d) Directors provide the Company Secretary with details of their holdings in TSI Fund and any changes within the time prescribed in the ASX Listing Rules;

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- (e) Directors comply with TSI Fund's policies for continuous disclosure, and securities trading;
- (f) Directors have access, where necessary, to independent, external and professional advice in relation to TSI Fund's affairs, at the cost of TSI Fund;
- (g) Directors have access where necessary, to TSI Fund's senior executives for direct information on TSI Fund's affairs;
- (h) Directors have the benefit of Director and Officers' Liability Insurance; and
- (i) Directors have the benefit of an indemnity from TSI Fund to the extent permitted by the Corporations Act as well as access to TSI Fund's Board papers on terms agreed between TSI Fund and the Board.

**6. MEETINGS**

The Board shall meet as frequently as required, but not less than six times a year.

Any director or the Company Secretary may call a meeting of the Board, and any director may request that the Chairman of the Board or the Company Secretary call a meeting.

A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Board not later than during the week prior to the date of the meeting. Where necessary, notice of a meeting may be given immediately before the meeting. The notice to Board members will include any appropriate supporting papers for the agenda items to be discussed.

Minutes of proceedings and resolutions of Board meetings shall be kept by the Company Secretary. Minutes shall be distributed to all Board members after the Chairman of the Board has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the Chairman.

**7. REPORTING PROCEDURES**

Copies of any Board minutes shall be included in the Board papers for noting at the next Board meeting.

The Company Secretary will act as custodian of the Board's minute books and papers and will ensure that they are maintained in a secure environment.

**8. QUORUM AND VOTING**

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A quorum for Board meetings shall comprise three of the Board members, provided that two are independent non-executive directors. In the absence of the Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

Each director will have one vote. Decisions of the Board will be by simple majority.