

Principle 1

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board's primary responsibilities include:

- (i) selection, appointment and, if necessary removal, of the Chief Executive Officer, including conditions of service and monitoring of performance;
- (ii) reviewing and approving the annual financial reports;
- (iii) establishment of long term goals and approval of strategic plans to achieve those goals;
- (iv) reviewing and approving annual budgets, monitoring management and financial performance, and ensuring appropriate resources are available;
- (v) ensuring adequate systems of internal controls are implemented together with appropriate monitoring of compliance activities;
- (vi) ensuring all significant business risks are identified and effective strategies implemented to manage these;
- (vii) delegation of commercially appropriate levels of responsibility to ISPT Management and employees for approval of certain transactions and business activities;
- (viii) maintaining high ethical and business standards;
- (ix) approving director remuneration within member approved limits;
- (x) selection and appointment of Board appointed directors;
- (xi) ensuring at least two thirds of directors are non-executives; and
- (xii) reviewing and monitoring major strategies, financial objectives and plans including capital expenditure, acquisitions, developments and divestments.

The Board has delegated to Management the responsibility for:

- (i) development and, upon approval, implementing corporate strategies;
- (ii) managing the day to day business;
- (iii) managing the risk and compliance frameworks including reporting to the Board and, where necessary, the market;
- (iv) appointing staff, evaluating their performance and training requirements as well as development of company policies;
- (v) development of ISPT's annual budget, managing the business within the budget, and regular reporting to the Board performance against the budget; and
- (vi) ensuring all available information in connection with items to be discussed at a meeting of the Board is provided to each director prior to the meeting.

The Chief Executive Officer is responsible for ensuring Management properly discharges the responsibilities delegated by the Board and for keeping the Board informed on these matters.

Delegations to ISPT Management and employees are restricted to commercially sound limits and those allowed under relevant Trust Deeds, thus ensuring certain transactions remain subject to Board approval.

The performance of Senior Executives is evaluated by the Chief Executive Officer and reported to the Board on an annual basis. Performance is measured using Key Performance Indicators formulated by the CEO and agreed with Senior Executives annually. ISPT practices are transparent and any investor may request further information as required.

Principle 2

STRUCTURE THE BOARD TO ADD VALUE

The size and composition of the Board is set within the parameters of ISPT's Constitution, which requires a minimum three and maximum eleven directors.

Director's Independence

ISPT's ownership structure and constitution vary significantly from an ASX listed entity. ISPT's constitution (post 14 June 2006 amendments) ensures Board representation from those Founding Members while their unitholdings remain greater than specified levels in the Qualifying Trusts (Founding Members represent the majority of the total units on issue) and the remaining Members (i.e. Group Members) elect three directors to the Board.

The Founding Member Directors and Group Member-appointed Directors collectively, then have the ability to appoint a further three Directors ("Board appointed Director"), based on skill, expertise, knowledge and experience. These three Board appointed Directors must have no vested interest whatsoever and must meet stringent independence criteria.

ISPT does not comply with the ASX's Director Independence principles as set out in the Principles. Under ASX Guidelines independent directors excludes those persons with unitholding, officer of a substantial unitholder / shareholder and control aspects.

ISPT has modified the independence criteria. ISPT directors believe the alignment of interests between directors, shareholders and unitholders in the trusts managed by ISPT eliminates any potential conflict of interest that may arise and ensures operational synergies.

If any director has any other interests which creates potential conflict, that director excuses him/her self from any discussion on the matter and the decision process.

To assist ISPT Directors, ISPT has established its own criteria to determine independence; which revolve around the Directors' ability to be free to exercise their unfettered and independent judgment. The criteria are:

- (i) independence from Management including not having been employed by ISPT prior to their appointment; and
- (ii) being free from material business and other relationships with ISPT, either directly or indirectly. Materiality is assessed on a case-by-case basis having regard to the individual circumstances of each director.

Against these criteria, each of ISPT's directors is considered independent.

ISPT's shareholding structure and constitution varies from ASX listed entities thus requiring modified independence criteria. This criterion differs from the ASX as it excludes unitholding, officer of substantial unitholder and control aspects which are deemed significant for ASX Listed entities.

Chair

The Chair is selected by the Board. The Chair's role includes:

- (i) providing effective leadership to directors including guiding the agenda and conduct of all Board meetings;
- (ii) ensuring new directors are fully briefed on the terms and conditions of their appointment and have undertaken an induction program to familiarise them with ISPT and its business;
- (iii) reviewing the performance of the Board; and

- (iv) representing the views of the Board to the public and investors.

Nominations Committee

The Nominations Committee is responsible for making recommendations to the Board on the appointment of new Board appointed Directors and reviewing the suitability of directors nominated by the Founding Members and Group Members.

Attributes considered for the appointment of directors are:

- (i) good repute;
- (ii) significant business or academic skills and expertise; and
- (iii) attributes which complement and add value.

All new directors are fully briefed to familiarise them with ISPT and its business. A letter of appointment setting out their terms of appointment, powers and duties as a director and their obligations under statutory and common law is also provided.

Meetings of the Board

The Board meets at regular intervals (usually monthly), with the Chief Executive Officer and Chief Financial Officer in attendance at all times. Other ISPT Senior Executives also attend Board meetings to deal with issues directly within their area of responsibility.

The Chief Executive Officer, in consultation with the Chair, establishes Board meeting agendas.

The Board evaluates its performance on a regular basis. The most recent review in February 2007 consisted of an anonymous survey of directors on a range of subjects.

Principle 3

PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

ISPT has an array of codes and policies of conduct. All codes and policies are designed to promote integrity, responsibility, professionalism and accountability. Policies approved by the Board are reviewed on a regular basis to ensure any legislative or procedural changes

In addition, ISPT has administrative and best practice codes and policies, which are regularly updated covering its activities. Adherence to the principles and rules, as well as company policy, laid down in these manuals, contribute to a strong corporate ethic.

A declaration of personal interests is required annually from employees and directors. They also sign an agreement to comply with the Code of Conduct on appointment.

Principle 4

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer provide formal statements to the Board confirming that ISPT's financial reports present a true and fair view, in all material respects, of ISPT's financial condition, and operational results and are in accordance with relevant accounting standards.

In addition they confirm the statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

The Board has established an Audit and Compliance Committee (A&CC). The A&CC reports directly to the Board on all matters and comprises of non-executive directors.

The role of the A&CC in relation to safeguarding the integrity of financial reporting is as follows:

Objectives

The primary objective of the A&CC is to assist the Board in fulfilling its responsibilities relating to:

- (i) accounting and financial reporting practices;
- (ii) internal control structures and risk management systems; and
- (iii) the external and internal audit functions of ISPT and each of its controlled entities.

Composition

The Committee comprises at least three directors from the Board. Each Committee Member is required to be a non-executive director and independent of senior management of ISPT and free from any relationships which might be construed as a conflict of interest. The Board appoints one of the Members as Chair of the Committee.

Meetings

The Committee holds regular meetings (usually nine per annum) and such additional meetings as the Chair decides in order to fulfill its duties. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any Committee Member, the Chief Executive Officer, the internal auditor or the external auditors.

A quorum requires at least two Committee Members.

Access

The Committee has unlimited access to both the internal and external auditors and to senior management. The Committee also has the ability to consult independent experts where it considers it necessary to carry out its duties. It meets privately with the external auditor without management present.

Duties and Responsibilities

The duties and responsibilities of the A&CC have been detailed comprehensively in its Terms of Reference which is approved annually by the Board.

Auditor independence policy

ISPT's Auditor is required to provide an independence declaration in accordance with the independence requirements of Australian Auditing Standards and ethical pronouncements and the Corporations Act 2001.

Principle 5

MAKE TIMELY AND BALANCED DISCLOSURE

This requires written policies and procedures to be adopted to comply with the ASX and the Corporations Act continuous disclosure requirements. These requirements are not applicable to ISPT as it does not report to the ASX. However ISPT endeavours to provide unitholders / shareholders with timely information on its financial situation through regular reporting as described in Principle 6.

Principle 6

RESPECT THE RIGHTS OF SHAREHOLDERS/UNITHOLDERS

ISPT is committed to providing unit holders and members with timely information concerning ISPT operations. It does this by:

- (i) Continuously reporting activities through the monthly reports and Investor Alerts;
- (ii) Reporting through the Annual Report;
- (iii) Releasing all appropriate information electronically to unit holders on its website; and
- (iv) The external auditor attends the ISPT Annual General Meeting and is available to answer questions about the audit.

Principle 7

RECOGNISE AND MANAGE RISK

The Board has established an Audit and Compliance Committee (A&CC) which is responsible for monitoring the Group's Risk Management policies on behalf of the Board.

ISPT has a formal risk program based on Standards Australia AS/NZ4360:2004. The program includes policies and procedures in place to identify and address material financial and non-financial risks. Internal Auditors regularly review adherence to internal policies and procedures and report their findings to the A&CC.

The Chief Financial Officer, the Compliance Manager and the A&CC are responsible for overseeing compliance with the program and its continuous evolution.

The risk management program is extensive and includes such regulatory areas as Accounting Standards, Equal Opportunity, Corporations Act, Employee and Industrial Relations, Environment, Intellectual Property, Occupational Health and Safety, Privacy, Product Liability, Directors and Officers Liability Insurance, Building Codes, Superannuation, Taxation and Treasury. ISPT takes its regulatory obligations seriously and is constantly reviewing its program to ensure relevance.

At the time of confirming the integrity of financial reports to the Board, the Chief Executive Officer and Chief Financial Officer confirm the reports are founded on a sound system of risk management, internal compliance and control which implements the policies adopted by the Board. In addition they confirm the ISPT risk management and control system is operating efficiently and effectively in all material respects.

Principle 8

REMUNERATE FAIRLY AND RESPONSIBLY

ISPT has remuneration policies in place to maintain and attract talented and motivated directors and employees. The policies are designed to improve ISPT's performance and enhance unit holder returns.

The Board has established a Remuneration Committee comprising of four directors.

The Committee's main remuneration functions include reviewing and making recommendations to the Board on:

- (i) conditions of employment and remuneration of the Chief Executive Officer;
- (ii) remuneration policy for staff;
- (iii) remuneration framework for directors; and
- (iv) appointment (and removal) of Board appointed directors.

The Committee, including the Chief Executive Officer, is responsible for recommending incentive remuneration arrangements to the Board.

Directors' fees are determined by the Board within the limits approved by shareholders from time to time at general meetings.

In carrying out these functions the Board and the Committee have access to the advice of independent consultants to ensure;

- remuneration levels are appropriate and relative to fees paid by comparable companies, and
- industry surveys and guidance from recruitment firms are used for reference.

ASX Corporate Governance Principles and Recommendations

ASX Principle		Compliance
Principle 1:	Lay solid foundations for management and oversight	
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Comply
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Comply. The performance of Senior Executives is evaluated by the Chief Executive Officer and reported to the Board on an annual basis. Performance is measured using Key Performance Indicators formulated by the CEO and agreed with Senior Executives annually. ISPT practices are transparent and any investor may request further information as required.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	Comply to the extent applicable
Principle 2:	Structure the Board to add value	
2.1	A majority of the Board should be independent directors.	Comply under ISPT independent criteria.
2.2	The chair should be an independent director.	Comply.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Comply.
2.4	The Board should establish a Nomination Committee.	Comply.
2.5	Companies should disclose the process for evaluating the performance of the Board, its Committees and individual directors.	Comply.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	Comply to the extent applicable
Principle 3:	Promote ethical and responsible decision-making	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> 3.1.1 the practices necessary to maintain confidence in the company's integrity; 3.1.2 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and 3.1.3 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	Comply. A declaration of personal interests is required annually from employees and directors. Employees and directors also sign an agreement to comply with the Code of Conduct on appointment.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	Not applicable – not ASX listed.
3.3	Companies should provide the information indicated	Comply to the extent

	in Guide to reporting on Principle 3.	applicable.
Principle 4:	Safeguard integrity in financial reporting	
4.1	The Board should establish an Audit Committee.	Comply
4.2	The Audit Committee should be structured so that it; <ul style="list-style-type: none"> • consists only of non-executive directors. • consists of a majority of independent directors. • is chaired by an independent chair, who is not chair of the Board. • has at least three members. 	Comply Comply using ISPT independent criteria. Comply Comply
4.3	The Audit Committee should have a formal charter.	Comply
4.4	Companies should provide the information indicated in Guide to reporting on Principle 4.	Comply to the extent applicable
Principle 5:	Make timely and balanced disclosure	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Not applicable as not ASX listed. However regular updates on Group activities is communicated to unitholders monthly.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Comply to the extent applicable
Principle 6:	Respect the rights of shareholders	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Comply – regular investor reporting occurs.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Comply to the extent applicable
Principle 7:	Recognise and manage risk	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Comply – Audit & Compliance Committee established.
7.2	The Board should require Management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Comply – forms part of the annual signoff.
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) that the declaration provided in accordance with section 259A of the Corporations Act is founded on a system is operating effectively in all material respects in relation to financial reporting risks.	Comply. This assurance is contained within the AGS1026 Certificate obtained annually and provided to investors.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Comply to the extent applicable
Principle 8:	Remunerate fairly and responsibly	
8.1	The Board should establish a remuneration committee.	Comply
8.2	Companies should clearly distinguish the structure of	Comply

	non-executive directors' remuneration from that of executive directors and senior executives.	
8.3	Companies should provide the information indicated in Guide to reporting on Principle 8.	Comply to the extent applicable.