

Notice reference number: 1405.16.11

Notice date: 23/11/2016

What's this about?

Effective date: 23/11/2016

☒ ASX Trade	☐ ASX 24	☐ ASX TECH				
☒ Trading	☒ Clearing	☒ Settlement	☐ ALC	☐ ASX NET		
☒ Operations	☐ Technology	☐ Market Data	☒ Rules	☒ Compliance	☒ Risk	☐ Other

Boral Limited ("Boral" or "BLD") - ASX Settlement Operating Rule 5.18.2 inclusion of entitlements of Boral as "FOR" Financial Products

This Notice contains important information about the eligibility to participate in the Boral Pro rata Accelerated Renounceable Entitlement Offer ("Offer") of new Boral ordinary shares and should be read carefully by Participants.

The following class of Financial Products has been included in Schedule 1 of the ASX Settlement Operating Rules as a FOR Financial Product effective 24 November 2016.

Issuer	Financial Product	ASX Code
Boral Limited	Entitlements – Excluded Investor	BLDR

What do I need to do and by when?

Only "Eligible Persons" (as defined in the attachment to this Notice) are entitled to exercise **Retail Entitlements** (as that term is defined in the Retail Offer Booklet to be dispatched to Eligible Persons on Wednesday, 30 November 2016), which are scheduled to commence trading under ASX code BLDR on a deferred settlement basis on Thursday, 24 November 2016 ("**BLD's Financial Products**"). Eligible Persons that purchase BLD's Financial Products will need to complete a specific Appendix E – Entitlement and Acceptance Form that can be obtained from by calling the Boral Offer Information Line on 1300 420 208 (within Australia) and +61 1300 420 208 (outside Australia) from 8:30am to 5:30pm (Australian Eastern Standard Time), Monday to Friday.

BLD reserves the right to reject any Appendix E – Entitlement and Acceptance Form that it believes comes from a person who is not an Eligible Person.

BLD's Financial Products will trade generally on ASX; however, if BLD's Financial Products are purchased in a transaction on ASX by a person that is not an Eligible Person (each, an "**Excluded Investor**"), such Excluded Investors will not be entitled to exercise their right to subscribe for fully paid ordinary shares in BLD ("**Shares**") to be issued in the capital of BLD under the Offer ("**New Shares**"). Further, any "**Excluded U.S. Investor**", as that term is defined in the attachment to this Notice, will not be entitled to acquire, hold or trade any of BLD's Financial Products.

BLD's Financial Products which are not or are not able to be exercised will be sold through a retail shortfall bookbuild and any proceeds in excess of the offer price of \$4.80 (**Retail Premium**) (being the price at which Retail Entitlements are sold under the retail shortfall bookbuild (net of any applicable withholding taxes)) will be remitted proportionally to holders of those BLD's Financial Products at the close of the Offer. The Retail Premium, if any, is expected to be paid on or about 20 December 2016.

In order to ensure that foreign ownership restrictions can be monitored and that Excluded U.S. Investors do not acquire, hold or trade BLD's Financial Products and Excluded Investors do not exercise any right to subscribe for New Shares, ASX Settlement has agreed:

- to classify BLD's Financial Products as FOR Financial Products under the ASX Settlement Operating Rules and to include BLD's Financial Products in Schedule 1 of the ASX Settlement Operating Rules Procedures; and
- to implement certain additional procedures as contemplated in Guidance Note 13 of the ASX Settlement Operation Rules (*Financial Products subject to Foreign Ownership Restrictions*) in relation to BLD's Financial Products.

The following conditions apply to BLD's Financial Products:

Foreign Person

A "Foreign Person" is an "Excluded Investor" as that term is defined in the attachment to this Notice.

Level of Foreign Ownership

The relevant Foreign Person ownership level is **zero**.

This means that no Excluded Investor, as that term is defined, may exercise any right to subscribe for New Shares for any BLD's Financial Products they purchase or hold. Further, no Excluded U.S. Investor, as that term is defined, may acquire, hold or trade BLD's Financial Products.

BLD, as Issuer of the Financial Products, has agreed to be bound by the additional obligations of an Issuer of FOR Financial Products under Rule 5.18 of the ASX Settlement Operating Rules.

BLD's Financial Products are being offered and will be traded on the ASX market in reliance on the safe harbour provisions of Regulation S under the U.S. Securities Act of 1933, as amended. The status of FOR Financial Products under the ASX Operating Rules will be applied to BLD's Financial Products.

Where a holder is currently designated as "F" or "M", that person cannot exercise any right to subscribe for New Shares for any of BLD's Financial Products they purchase or hold.

Where the holder is currently designated as "F", and wishes to hold BLD's Financial Products, but is not an Excluded U.S. Investor, a new holder record should be established for that holder designated as "D" for the purposes of holding BLD's Financial Products.

Where a holder is currently designated as "F" or "M", and is an Excluded U.S. Investor, that person cannot acquire, hold or trade any of BLD's Financial Products.

Participants should liaise with clients intending to purchase or hold BLD's Financial Products and make all necessary enquiries to ensure that those clients who are Excluded Investors are made aware that they cannot exercise any right to subscribe for New Shares and that those clients who are Excluded U.S. Investors are made aware that they cannot acquire, hold or trade any of BLD's Financial Products. Failure to do so may result in client loss. Similarly, Participants may be liable for any failure to establish a new Holder Record designated as "D" or effect a change of residency indicator where it is necessary.

BLD's Financial Products cannot be acquired or held by an Excluded U.S. Investor in holdings designated as "F" or "M" under any circumstances, as they may be subject to divestment action by Boral as set out under the ASX Settlement Operating Rules.

[Need more information?](#)

Issued by

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Disclaimer

Attachment - Definitions of "Eligible Person", "Excluded Investor" and "Excluded U.S. Investor"

An "**Excluded Investor**" means any person who, as determined by BLD at its absolute discretion, is not an Eligible Person, and for the avoidance of doubt includes an Excluded U.S. Investor.

An "**Eligible New Investor**" means any person who, as determined by BLD at its absolute discretion, is in:

- **Australia;**
- **New Zealand;**
- **Belgium, Denmark, Germany, Luxembourg or the Netherlands** (or is acquiring the Retail Entitlements or New Shares for any person who is in Belgium, Denmark, Germany, Luxembourg or the Netherlands), where each relevant person is a "qualified investor" within the meaning of the Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the applicable country;
- **Canada (British Columbia, Ontario or Quebec provinces)** (or is acquiring the Retail Entitlements or New Shares for any person who is in the provinces of British Columbia, Ontario or Quebec), where each relevant person is an "accredited investor" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators;
- **France** (or is acquiring the Retail Entitlements or New Shares for any person who is in France), where each relevant person is a "qualified investor" (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation;
- **Hong Kong** (or is acquiring the Retail Entitlements or New Shares for any person who is in Hong Kong), where each relevant person is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong (Cap. 571) of the Laws of Hong Kong;
- **Ireland** (or is acquiring the Retail Entitlements or New Shares for any person who is in Ireland) where each relevant person is a "qualified investor" within the meaning of Regulation 2(1) of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended;
- **Japan** (or is acquiring the Retail Entitlements or New Shares for any person who is in Japan), where each relevant person is a Qualified Institutional Investor, as defined in the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948);
- **Malaysia** (or is acquiring the Retail Entitlements or New Shares for any person who is in Malaysia) where each relevant person is a person prescribed under Part I of Schedule 6 of the Malaysian Capital Markets and Services Act;
- **Norway** (or is acquiring the Retail Entitlements or New Shares for any person who is in Norway), where each relevant person is a "professional client" as defined in Norwegian Securities Regulation of 29 June 2007 no. 876;
- **Singapore** (or is acquiring the Retail Entitlements or New Shares for any person who is in Singapore), where each relevant person is an "institutional investor" or a "relevant person" (as such terms are defined in the Securities and Futures Act (Chap 289) of Singapore);
- **Sweden** (or is acquiring the Retail Entitlements or New Shares for any person who is in Sweden), where each relevant person is a "qualified investor" (as defined in Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument));
- **Switzerland** (or is acquiring the Retail Entitlements or New Shares for any person who is in Switzerland), where each relevant person is an institutional investor, being regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations;
- **United Arab Emirates excluding the Dubai International Financial Centre** (or is acquiring the Retail Entitlements or New Shares for any person who is in the United Arab Emirates excluding the Dubai International Financial Centre),

where this document is being distributed to certain investors from Australia into the United Arab Emirates (excluding the Dubai International Financial Centre);

the United Kingdom (or is acquiring the Retail Entitlements or New Shares for any person who is in the United Kingdom), where each relevant person is: (i) a "qualified investor" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended,

provided that in each case, such person is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person will be holding Retail Entitlements or New Shares for the account or benefit of a person in the United States).

An **"Eligible Person"** is a person who, as determined by BLD at its absolute discretion:

- is an Eligible Retail Shareholder; or
- is an Eligible New Investor.

An **"Eligible Retail Shareholder"** is a person who, as determined by BLD at its absolute discretion:

- is a registered holder of a Share as at the Record Date (being 7.00pm (AEST¹) on 24 November 2016);
- has a registered address on the BLD share register in Australia or New Zealand;
- is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of a person in the United States);
- was not invited to participate (other than as nominee, in respect of other underlying holdings) under the institutional component of the Offer, and was not treated as an ineligible institutional shareholder under the institutional component of the Offer; and
- is eligible under all applicable securities laws to receive an offer under the Offer.

An **"Excluded U.S. Investor"** means a holder of BLD's Financial Products (or a person who seeks to be entered on the register as a holder of BLD's Financial Products) who is in the United States or who is acting for the account or benefit of a person in the United States.

"United States" means the United States of America, its territories and possessions, any State of the United States and the district of Columbia.

¹ Australian Eastern Standard Time