



Boral Limited

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www.boral.com

17 September 2018

The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

2018 Annual General Meeting

We attach the Notice of Meeting and the Proxy Form for the Company's Annual General Meeting to be held on 30 October 2018.

The Notice of Meeting and Proxy Form are being sent to shareholders.

The Notice of Meeting together with the 2018 Boral Review and the 2018 Annual Report will also be posted on Boral's website www.boral.com.

Yours faithfully

Dominic Millgate
Company Secretary

Boral Limited 2018 Annual General Meeting



17 SEPTEMBER 2018

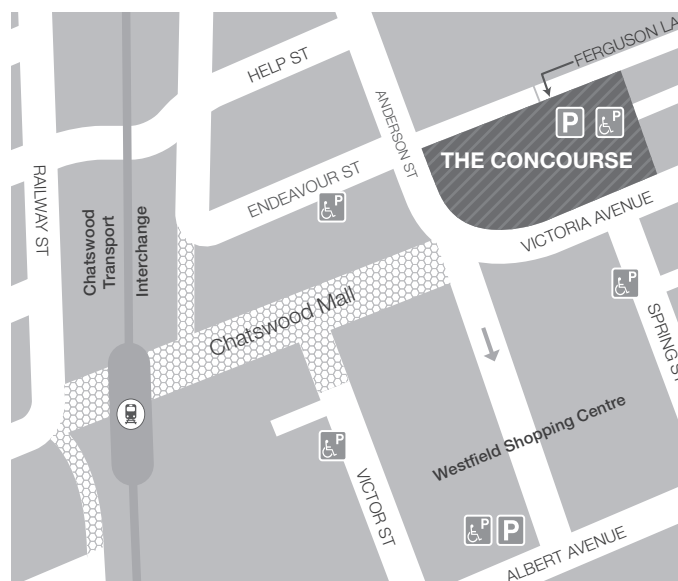
Dear Shareholder

It is my pleasure to invite you to attend the 2018 Annual General Meeting of Boral Limited.

The Meeting will be held at the Civic Pavilion, The Concourse, Chatswood on Tuesday, 30 October 2018 at 10.30am.

We also invite you to join the Board and senior management of Boral for refreshments following the Meeting. This is an opportunity for you to learn more about Boral's operations from the executives who are running Boral's businesses.

The map opposite shows the location of The Concourse.



This will be my fifth AGM as a Director of Boral and my first AGM as Chairman. I look forward to welcoming those shareholders who can attend. I would also like to take this opportunity to welcome Peter Alexander to what will be his first AGM as a Director, and to thank Catherine Brenner for her considerable and valuable contribution to Boral since she joined the Board in 2010. Catherine retires by rotation at the 2018 AGM and has decided not to stand for re-election. Catherine has been an outstanding Non-executive Director of our Board for 8 years. She has made a great contribution and leaves the Board with our thanks and enormous respect. We wish her the very best.

The Notice of Meeting which follows sets out the business to be dealt with at the Meeting.

If you are able to attend the Meeting, please bring the enclosed Proxy Form with you to facilitate your registration.

If you do not plan to attend the Meeting, you may wish to appoint a proxy to attend and vote on your behalf by completing and lodging the enclosed Proxy Form. Instructions on how to appoint a proxy and lodge the form are outlined on the back of the form. Proxy Forms must be received by 10.30am on Sunday, 28 October 2018 to be valid for the Meeting.

The full AGM will be webcast live on our website at www.boral.com.

The Chairman's Address and the CEO & Managing Director's Address to the AGM will cover reviews of Boral's financial performance, current priorities and the strategic direction of the Company. Copies of the Addresses will be placed on Boral's website on the day of the Meeting.

Yours sincerely

A handwritten signature in black ink, reading "K J Fagg".

Kathryn Fagg
Chairman

Notice of Meeting

Notice is given that the Annual General Meeting of Shareholders of Boral Limited will be held at the Civic Pavilion, The Concourse, 409 Victoria Avenue, Chatswood NSW on Tuesday, 30 October 2018 at 10.30am.

Business

Item 1: Financial Reports

To consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2018.

Item 2: Election and re-election of Directors

2.1 To elect Peter Alexander as a Director

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

"That Peter Alexander, who retires in accordance with clause 6.3(h) of the Company's Constitution, being eligible, be elected as a Director of the Company."

2.2 To re-elect John Marlay as a Director

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

"That John Marlay, who retires in accordance with clause 6.3(b) of the Company's Constitution, being eligible, be re-elected as a Director of the Company."

Item 3: Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"To adopt the Remuneration Report for the year ended 30 June 2018."

Voting Exclusion Statement

The Company will disregard any votes cast on Item 3:

- by or on behalf of a member of the key management personnel of the Company (**KMP**) named in the 2018 Remuneration Report or a closely related party of those persons, regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the KMP at the date of the AGM or a closely related party of those persons,

unless the vote is cast as proxy for a person who is entitled to vote on Item 3, and:

- the vote is cast in accordance with a direction on the Proxy Form; or
- in the absence of a direction on the Proxy Form, the vote is cast by the Chairman of the Meeting and the Chairman has received express authority to vote undirected proxies as the Chairman decides (see "How to vote" section).

Item 4: Award of LTI and deferred STI Rights to Mike Kane, CEO & Managing Director

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

"That approval is given for the award to Mike Kane, the CEO & Managing Director, of rights to fully paid ordinary shares in the Company on the terms described in the Explanatory Notes to this Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes on Item 4:

- cast in favour of the resolution by or on behalf of Mr Kane and his associates, regardless of the capacity in which the vote is cast; or
- cast as a proxy by a member of the KMP at the date of the AGM or a closely related party of those persons (such as close family members and any companies the person controls),

unless the vote is cast as proxy for a person who is entitled to vote on Item 4, and:

- the vote is cast in accordance with a direction on the Proxy Form; or
- in the absence of a direction on the Proxy Form, the vote is cast by the Chairman of the Meeting and the Chairman has received express authority to vote undirected proxies as the Chairman decides (see "How to vote" section).

Note: If shareholder approval is obtained, Mr Kane's rights will be granted under Boral's Equity Incentive Plan. No other Directors are eligible to participate in the Equity Incentive Plan.

Item 5: Proportional Takeover Approval Provisions

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the proportional takeover approval provisions contained in Schedule 5 of the Constitution of the Company be renewed for a further period of three years from the date of the Meeting convened by this Notice of Meeting."

By order of the Board



Dominic Millgate
Company Secretary
Sydney, 17 September 2018

How to vote

Voting at the Meeting

- The Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of shareholders as at 7.00pm (Australian Eastern Daylight Time) on Sunday, 28 October 2018. Accordingly, transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and vote at the Annual General Meeting.

Appointing a proxy

- A member entitled to attend and vote at the Annual General Meeting has the right to appoint a proxy. The proxy of a member does not need to be a member of the Company.
- A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of the member's votes each proxy is entitled to exercise. If the appointment does not specify the proportion or number of the member's votes, each proxy may exercise one half of those votes.
- If a member appoints a KMP (which includes each of the Directors) as proxy, the KMP will not be able to cast the member's votes on Item 3 or Item 4 unless the member directs the KMP how to vote or the Chairman of the Meeting is the member's proxy. If a member appoints the Chairman of the Meeting as their proxy or the Chairman of the Meeting is appointed as the member's proxy by default, and the member does not mark a voting box for Item 3 or Item 4, then by completing and submitting the Proxy Form the member will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant Item even though the Item is connected with the remuneration of the KMP.
- The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

Submitting your proxy form

- Details for completion and lodgment of proxies are outlined on the Proxy Form. The Proxy Form must be received by the Company at least 48 hours prior to the Annual General Meeting – that is, no later than 10.30am (Australian Eastern Daylight Time) on Sunday, 28 October 2018. The Proxy Form may be sent:
 - By post to:
Locked Bag A14, Sydney South NSW 1235
 - By hand delivery to:
c/- Link Market Services Limited, Level 12,
680 George Street, Sydney NSW 2000
 - By fax to:
Link Market Services Limited on +61 2 9287 0309
 - Lodged online at:
www.linkmarketservices.com.au
(go to "Voting" and follow the prompts)

Appointing a corporate representative

- A member of the Company who is a body corporate and who is entitled to attend and vote at the Annual General Meeting, or a proxy who is a body corporate and is appointed by a member of the Company entitled to attend and vote at the Annual General Meeting, may appoint a person to act as their representative at the Annual General Meeting by providing that person with:
 - a letter or certificate, executed in accordance with the body corporate's constitution or the *Corporations Act 2001* (Cth), authorising the person as a representative; or
 - a copy of the resolution, certified by a secretary or a director of the body corporate, appointing the person as a representative.

Lodging a question

- If you wish to submit a question in writing to the Chairman or the Auditor, please complete the AGM Question Form that accompanies this Notice of Meeting. AGM Question Forms must be received at least five business days prior to the Annual General Meeting (that is, by Tuesday, 23 October 2018) to allow time to collate questions and prepare answers. During the meeting, the Chairman or the CEO & Managing Director will seek to address as many of the more frequently asked questions as possible.

Explanatory Notes

ITEM 1 – Financial Reports

The Financial Report, Directors' Report and Auditor's Report are contained in the Company's Annual Report. A copy of the Annual Report can be found on the Company's website at www.boral.com.

While the *Corporations Act 2001* (Cth) (**Corporations Act**) requires the Financial Report, the Directors' Report and the Auditor's Report of the Company for the year to be laid before the Annual General Meeting, neither the Corporations Act nor the Company's Constitution requires shareholders to vote on, approve or adopt those reports.

Shareholders will, however, have a reasonable opportunity at the Annual General Meeting to ask questions on those reports and on the management of the Company. Shareholders will also have a reasonable opportunity to ask the Auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements of the Company, and the independence of the Auditor in relation to the conduct of the audit.

ITEM 2 – Election and re-election of Directors

In accordance with the Company's Constitution, a Director must retire from office no later than the longer of the third Annual General Meeting and three years following that Director's last election. Retiring Directors are eligible for re-election.

John Marlay was last elected as a Director at the 2015 Annual General Meeting. He therefore retires and, being eligible, offers himself for re-election.

Since the 2017 Annual General Meeting, Peter Alexander has been appointed to the Board. In accordance with the Company's Constitution, Mr Alexander will cease to hold office following the 2018 Annual General Meeting and, being eligible, offers himself for election to the Board.

The Board has undertaken a review of the performance of each Director standing for election and re-election and the contribution they have made to the Board and to Board Committees. The Board has also considered the skills and expertise each Director brings to the Board.

Profiles of Mr Alexander and Mr Marlay are set out below. The Board considers each of these Directors to be independent.

Item 2.1 Election of Peter Alexander



Peter Alexander, age 61

Peter Alexander joined the Boral Board in September 2018, the Board's first North American-based Non-executive Director.

Mr Alexander is a seasoned former chief executive with more than 28 years of senior executive experience in US building materials and distribution, technology products and services.

In 2010, Mr Alexander became CEO of Building Materials Holding Corporation and led the efforts to successfully combine Building Materials Holding Corporation with BMC Stock Holdings Inc (BMC). He continued as President and CEO of the newly merged NASDAQ listed group BMC through to early 2018.

In addition to his eight years as CEO of BMC, Mr Alexander was President and Chief Executive Officer of ORCO Construction Distribution from 2005 to 2009, serving large residential, commercial and concrete construction builders. He previously served as President and Chief Executive Officer or in executive positions for several other companies in the technology, retail, distribution and service industries, including GE Capital, ComputerLand/Vanstar, Premiere Global Services and Coast to Coast Hardware. Mr Alexander holds a BA from The Ohio State University and an MBA from The Pennsylvania State University.

Mr Alexander is a member of the Remuneration & Nomination Committee.

Appropriate background checks were completed before Mr Alexander was appointed to the Board.

The Board believes that Mr Alexander's experience and knowledge of the North American building and construction markets, combined with his experience in business integration, operations, capital allocation and technology, will serve the Board well.

Accordingly, the Board (with Mr Alexander abstaining) recommends the election of Mr Alexander.

Item 2.2 Re-election of John Marlay



John Marlay, age 69

John Marlay joined the Boral Board in December 2009. Mr Marlay is Independent Chairman of Flinders Ports Holdings Pty Limited. He was previously Chairman of Cardno Limited, a Director of Incitec Pivot Limited and has senior executive experience in the global materials and cement industries as well as non-executive director experience in companies with significant North American business operations. Mr Marlay was the Chief Executive Officer and Managing Director of Alumina Limited from December 2002 until his retirement from that position in 2008. He has also held senior executive positions and directorships with Esso Australia Limited, James Hardie Industries Limited, Pioneer International Group Holdings and Hanson plc. He holds a science degree from the University of Queensland and a Graduate Diploma from the Australian Institute of Company Directors. He is a Fellow of the Australian Institute of Company Directors.

Mr Marlay is a member of the Remuneration & Nomination Committee and of the Health, Safety & Environment Committee.

The Board has reviewed the performance of Mr Marlay and believes that Mr Marlay continues to provide a valuable contribution to the Board, including his extensive offshore and deep operational experience in building products and construction materials. Accordingly, the Board (with Mr Marlay abstaining) recommends the re-election of Mr Marlay.

ITEM 3 – Remuneration Report

The Remuneration Report is part of the Directors' Report for the year and is set out on pages 55 to 77 of the Annual Report.

The Remuneration Report:

- demonstrates the links between Boral's remuneration policies and Boral's performance; and
- provides the required remuneration details for each of the Directors and other members of the KMP.

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding ordinary resolution, as required by the Corporations Act.

The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Company respects the views of its shareholders and will take the outcome of the vote into account when considering remuneration policy in the future.

Directors' Recommendation

The Board recommends shareholders vote in favour of the resolution to adopt the Remuneration Report.

ITEM 4 – Award of Rights to Mike Kane, CEO & Managing Director

Shareholder approval is being sought to allocate to the Company's CEO & Managing Director, Mike Kane, rights to receive fully paid ordinary shares in the Company:

- as Mr Kane's long-term incentive (**LTI**) grant for FY2019 (**LTI Rights**); and
- as the deferred component of Mr Kane's earned short-term incentive (**STI**) award for FY2018 (**STI Rights**), (together, "**rights**").

If shareholder approval is obtained, the rights will be granted under Boral's Equity Incentive Plan.

Why is approval sought?

The Company is seeking approval for the proposed grants of rights to Mr Kane pursuant to ASX Listing Rule 10.14, which requires the Company to obtain shareholder approval in order to issue securities to a director under an employee incentive scheme, and in the interests of transparency and good governance.

Any required or appropriate shareholder approval for future equity awards to be made to Mr Kane will be sought at future annual general meetings.

LTI Rights

Overview

The LTI Rights will be divided into two components, which will each be subject to a separate performance hurdle, as follows:

1. two-thirds will be subject to a relative Total Shareholder Return (**TSR**) hurdle (**TSR Component**); and
2. one-third will be subject to a Return on Funds Employed (**ROFE**) hurdle (**ROFE Component**).

Each component will be tested on 1 September 2021 and there will be no re-testing of either performance hurdle.

The Board believes that a relative TSR hurdle measured against constituents of the S&P/ASX 100 Index ensures alignment between comparative shareholder return and reward for Mr Kane, and provides reasonable alignment with diversified portfolio investors.

The ROFE performance hurdle is intended to reward achievement linked to improving the Company's ROFE performance through the cycle.

Historically, the Board set ROFE targets with reference to Boral's forecast long-term financials. This approach has a number of limitations:

- forecast and actual ROFE fluctuates materially given the cyclical nature of business conditions;
- targets do not expressly factor in Boral's weighted average cost of capital (WACC);
- any significant portfolio changes increase the difficulty of accurate forecasting; and
- the narrow vesting range of 0.5% between target and stretch, combined with the cyclical nature of the business, increases the chance of 'all or nothing' vesting.

To address these limitations, ROFE targets will now be set relative to Boral's WACC for the testing period and a broader vesting range will be introduced, which is strongly skewed to outperformance. These adjustments:

- provide a more stable and less volatile approach for measuring ROFE performance;
- continue to measure ROFE performance as earnings before interest and tax (EBIT) (before significant items) on average funds employed;
- continue alignment with Boral's stated objective of exceeding WACC through the cycle; and
- focus executives on delivering returns which exceed the WACC, with the broader vesting range providing increased incentive to outperform.

Further detail about the rationale for the change, including an analysis of historical ROFE performance, is provided in the Company's Remuneration Report.

Explanatory Notes

What is the CEO's proposed LTI for FY2019?

The Board is proposing that Mr Kane be granted LTI Rights with a face value of \$3,807,448, being 220% of his Base Cash Salary (**BCS**) as at 1 September 2018.

Importantly, the actual value (if any) that Mr Kane may receive from this LTI award cannot be determined until after the end of the three year performance period, because it is dependent on whether the performance hurdles are achieved and the share price at the time of vesting.

The formula used to calculate the number of LTI Rights is set out below.

$$N = \frac{(220\% \times BCS)}{\text{Face value of a Boral Share}}$$

N is the number of LTI Rights to be allocated to Mr Kane. If **N** is a fractional number, it will be rounded up to the nearest whole number.

220% is the percentage of the CEO's annual BCS determined by the Board to be applicable for the CEO's LTI for FY2019.

BCS or Base Cash Salary of the CEO is the equivalent of **\$1,730,658** at 1 September 2018, converted from US\$1,338,664 based on the exchange rate A\$/US\$, averaged over the 12 month period to 30 June 2018, being 0.7735.

Face value of a Boral share is the volume weighted average price (**VWAP**) of Boral shares on the ASX during the five day trading period up to but not including 1 September 2018, being \$6.9291.

Based on this formula, the number of LTI Rights to be allocated is 549,487.

TSR Performance Hurdle

The performance hurdle for the vesting of the TSR Component will be measured by comparing the TSR of the Company with the TSRs of a comparator group comprising the companies in the S&P/ASX 100 Index on 1 September 2018. The period over which the TSR of the Company is compared with the TSRs of companies in the comparator group is the three year period commencing on 1 September 2018 (**Performance Period**).

For the purposes of calculating TSR, share prices will be determined by reference to:

- for the opening share price, the VWAP during the 60 trading days ending on the first day of the Performance Period; and
- for the closing share price, the VWAP during the 60 trading days ending on the last day of the Performance Period.

The Board has the discretion to adjust the comparator group to take into account events, including but not limited to, takeovers, mergers or de-mergers that might occur during the Performance Period.

The percentage of the TSR Component which may vest is based on a sliding scale as follows:

If at the end of the Performance Period, the TSR of the Company:	The percentage of the TSR Component which will vest is:
Does not reach the 50th percentile of the TSRs of the S&P/ASX 100	0%
Reaches the 50th percentile of the TSRs of the S&P/ASX 100	50%
Is between the 50th percentile and the 75th percentile of the S&P/ASX 100	Progressive pro rata vesting from 50% to 100% (i.e. on a straight-line basis)
Reaches or exceeds the 75th percentile of the TSRs of the S&P/ASX 100	100%

The percentage of the TSR Component that does not vest following the end of the Performance Period will lapse (i.e. there will be no further testing).

ROFE Performance Hurdle

ROFE tests the efficiency and profitability of the Company's capital investments. ROFE will be determined by the Board based on earnings before interest and tax (**EBIT**) (before significant items) as a percentage of average Funds Employed (where Funds Employed is the sum of net assets and net debt).

In determining the Company's ROFE performance, the Board may make adjustments where it considers it necessary or appropriate in order to accurately reflect the ROFE outcomes in a manner that rewards performance that is consistent with shareholder expectations and the intent and purpose of the relevant ROFE target.

In regard to the LTI grant for FY2019, the percentage of the ROFE Component which may vest will be determined by the Board based on ROFE performance for the financial year ending 30 June 2021 in accordance with the following vesting schedule:

If the Company's ROFE performance for FY2021 is:	The percentage of the ROFE Component which will vest is:
Below WACC	Nil
At WACC (Target)	50%
Between WACC and WACC plus 2.0%	Vesting on a straight line basis
At or above WACC plus 2.0% (Stretch)	100%

Vesting will occur on a progressive pro rata basis between Target and Stretch.

The percentage of the ROFE Component that does not vest in accordance with this schedule will lapse (i.e. there will be no further testing).

The vesting range has been broadened from 0.5%, where it has been in recent years, to 2.0%, emphasising performance above WACC.

As joint ventures (JVs) remain an attractive business model for Boral, the share of EBIT (before significant items) from our JVs (rather than post-tax JV earnings) will be included in the pre-tax ROFE calculation, consistent with the treatment for Boral's wholly owned businesses. WACC will be calculated by Boral on a pre-tax basis, providing a direct comparison with the pre-tax ROFE measure, using the average annual WACC over the three year period from 1 July 2018 (for the FY2019 grant). The calculation will be overseen by the Audit & Risk Committee supporting the Remuneration & Nomination Committee and the Board, and will be reviewed and validated by an independent external advisor. Previous ROFE targets and calculations for grants prior to FY2019 are not affected.

The calculated WACC for each year and the Company's ROFE performance will be disclosed retrospectively in Boral's Remuneration Report.

STI Rights

Overview

The Board introduced a deferred component for STI awards in 2013. The Board believes that STI deferral assists the Company to retain key talent and sharpens the focus of executives on creating longer term shareholder value.

Under the current STI arrangements:

- 80% of Mr Kane's earned STI award for FY2018 is delivered in cash; and
- 20% is deferred into equity (in the form of STI Rights) for a period of two years from 1 September 2018 (subject to shareholder approval being obtained).

The number of STI Rights proposed to be granted to Mr Kane is 39,977.

This number has been calculated by dividing the deferred STI amount (i.e. 20% of the total STI awarded, being \$277,002) by the VWAP of ordinary shares in the Company on the ASX over the five trading days up to but not including 1 September 2018 (being \$6.9291).

The STI Rights will vest at the end of the two year deferral period on 1 September 2020, subject to the terms outlined below.

Terms applying to all rights

Vesting

On vesting, the rights may be converted (on a one-for-one basis) to fully paid ordinary shares in the Company or, at the Board's discretion, Mr Kane may instead receive a cash-equivalent payment. Any shares issued to or transferred to Mr Kane on vesting of his rights may be purchased on-market or issued by the Company. No amount will be payable by Mr Kane for those shares.

The rights do not carry any voting rights or entitlements to receive dividend payments prior to vesting.

Cessation of employment

If Mr Kane resigns or his employment is terminated for performance reasons (for example, as a consequence of serious and willful misconduct or breach of duty), any unvested rights will lapse unless the Board determines otherwise. If Boral terminates Mr Kane's employment without cause on Mr Kane's part, then the rights that have been granted but which remain unvested will continue beyond termination and will vest or lapse subject to their original terms (including, in the case of LTI Rights, the performance hurdles). The Board has a discretion to determine that a different treatment should apply.

Change of control

The Board has absolute discretion to determine that some or all of the unvested rights will vest if there is a takeover or other event likely to result in a change in control of the Company. In exercising this discretion, the Board will have regard to all relevant circumstances.

Preventing inappropriate or unfair benefits

Mr Kane's rights are subject to forfeiture or "clawback" provisions that the Board may apply in certain circumstances to ensure that Mr Kane does not obtain an inappropriate or unfair benefit, for instance if there is a material misstatement in the Company's accounts.

Additional Information Provided for Shareholders in Accordance with ASX Listing Rules

- Assuming that shareholder approval is forthcoming, the Company intends to grant the LTI Rights and STI Rights to Mr Kane immediately after the Annual General Meeting and, in any event, no later than 12 months after approval is obtained. If not approved, the remuneration intended to be delivered by way of rights may be delivered in cash, but, in the case of LTI Rights, only if the performance hurdles which would otherwise have applied are satisfied.
- No amount will be payable by Mr Kane for LTI Rights or the STI Rights as they form part of his total remuneration package.
- Shareholder approval was obtained for Mr Kane's FY2018 LTI grant of 561,229 rights and FY2017 deferred STI grant of 58,737 rights at the 2017 Annual General Meeting. These are the only rights that have been granted since the last approval. No consideration was payable by Mr Kane in respect of the rights granted to him.
- No other Director of the Company is entitled to participate in Boral's Employee Incentive Plan.
- No loan will be made by the Company in connection with the award of rights or the allocation to Mr Kane of any shares on vesting of those rights.
- If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

Directors' Recommendation

The Board (with Mr Kane abstaining) recommends that shareholders vote in favour of the resolution to approve the grant of rights to Mr Kane.

Explanatory Notes

ITEM 5 – Proportional Takeover Approval Provisions

This item of business involves the renewal of the proportional takeover provisions currently contained in Schedule 5 of the Company's Constitution.

Under the Corporations Act, such provisions must be renewed every three years. The provisions were last approved at the 2015 Annual General Meeting. However, the three year period from the date of the 2015 Annual General Meeting will elapse, and the provisions currently contained in Schedule 5 will expire, just following this year's Annual General Meeting. It is for this reason that shareholder approval is sought for the renewal of the existing provisions.

The Corporations Act requires that the following information be provided in this notice of meeting:

Effect

The effect of the proportional takeover approval provisions is to require the Directors to convene a meeting of shareholders in the event that a proportional takeover bid is made for the Company.

A proportional takeover bid is a takeover offer made to all shareholders, but only in respect of a specified portion of each shareholder's shares. The purpose of the meeting of shareholders is to vote on a resolution to approve the takeover bid. If the resolution is rejected by shareholders, then the bid will be deemed to be withdrawn and registration of any transfer of shares resulting from the bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded. If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with other provisions of the Company's Constitution.

If the resolution is not voted on at least 14 days before the closure of the bid, then the resolution will be deemed to have been approved. The bidder and associates will be precluded from voting on the resolution.

If the proportional takeover approval provisions are approved at the Annual General Meeting, they will expire after three years, unless refreshed by shareholders by special resolution.

Reasons for Inclusion

The reason Schedule 5 was included in the Constitution previously, and is proposed to be renewed, is that a proportional takeover bid may result in effective control of the Company changing hands without shareholders having the opportunity to dispose of all their shares. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares, while leaving themselves as part of minority interests in the Company.

The provisions give shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be allowed to proceed.

Present Acquisition Proposals

As at the date of this statement, no Director of the Company is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential Advantages and Disadvantages

The provisions enable the Directors to ascertain the views of shareholders on a proportional takeover bid. Apart from this, there is no specific advantage or disadvantage for the Directors of renewing the proportional takeover approval provisions.

The provisions ensure that shareholders will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed. As a consequence, the terms of any future proportional bids are likely to be structured to be attractive to a majority of non-associated shareholders.

As to the possible disadvantages of the provisions for shareholders, it could be argued that they make a proportional takeover more difficult to achieve and therefore proportional bids will be discouraged. This in turn may reduce opportunities which shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company and may reduce any element of takeover speculation in the Company's share price. It may also be argued that the provisions constitute an additional restriction on the ability of shareholders to deal freely with their shares. While the Company's Constitution has included proportional takeover approval provisions for many years, the provisions have not been used. Accordingly, the experience to date has no bearing or impact on the advantages or disadvantages discussed in these explanatory notes.

The resolution to adopt the proportional takeover approval provisions is a special resolution and, to be passed, requires a 75% majority of the votes cast by shareholders entitled to vote on the resolution.

Directors' Recommendation

The Board recommends that shareholders vote in favour of the special resolution to renew the proportional takeover approval provisions in Schedule 5 of the Company's Constitution for a further three years.

BORAL LIMITED ABN 13 008 421 761

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Telephone: +61 1300 730 644
Internet: www.linkmarketservices.com.au
Email: boral@linkmarketservices.com.au

AGM DETAILS

The Annual General Meeting of Boral Limited will be held at the Civic Pavilion, The Concourse, Chatswood, NSW, on Tuesday 30 October 2018 at 10.30am.





Boral Limited

ABN 13 008 421 761

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6

LODGE YOUR PROXY FORM



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ALL ENQUIRIES TO

Telephone: 1300 730 644 Overseas: +61 1300 730 644

PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:30am on Sunday, 28 October 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses, subject to any voting restrictions that apply to the proxy. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. A separate Proxy Form should be used for each proxy. An additional Proxy Form may be obtained by telephoning Link Market Services on the phone number set out above or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

For your proxy appointment to be valid, it must be received by 10:30am on Sunday, 28 October 2018.

I/We being a member(s) of Boral Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Tuesday, 30 October 2018 at The Civic Pavilion, The Concourse, 409 Victoria Avenue, Chatswood NSW 2067 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Items 3 and 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, then by submitting this form you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 3 and 4, even though those Items are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

ITEMS OF BUSINESS

Please read the voting instructions overleaf before marking any boxes with an ☒

Please Note: to fully inform securityholders in exercising their right to vote, please be aware that if the Chairman of the Meeting is appointed as your proxy (or becomes your proxy by default), the Chairman of the Meeting intends to vote available proxies in the manner set out beside each resolution:

BUSINESS

Board Recommendation:

The Board recommends shareholders vote **FOR** items 2.1, 2.2, 3, 4 and 5.

2.1 Election of Peter Alexander

2.2 Re-election of John Marlay

3 Remuneration Report

4 Award of Rights to Mike Kane, CEO & Managing Director

5 Proportional Takeover Approval Provisions

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FOR

FOR

FOR

FOR

FOR



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BLD PRX1801N