Build something great™

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27 October 2020

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

Dear Sir

AGM Addresses including 1Q Trading

We attach copies of the prepared AGM Addresses by the Chairman, the CEO & Managing Director and the Chairman of the Remuneration & Nomination Committee, which will be delivered at the Company's Annual General Meeting which commences at 10:30 am today.

Authorised for release by the Board of Directors.

Dominic Millgate
Company Secretary

Build something great™

2020 ANNUAL GENERAL MEETING
TUESDAY, 27 OCTOBER 2020

Chairman's Address

by Kathryn Fagg

Good morning ladies and gentlemen.

I appreciate you joining us for Boral's 2020 Annual General Meeting, my third AGM as Boral's Chairman.

The past year has been an extraordinary one with the challenges that our communities have faced.

As calendar year 2019 came to a close, and we moved into 2020, we were impacted by the devastating Australian bushfires. While Boral's people and sites were kept safe, in many communities we turned our efforts to help respond to the emergency. From a business point of view, we experienced substantial disruption including temporary site closures and evacuations, a substantial drop in demand and higher costs.

We then faced the global COVID-19 pandemic. After providing a safe environment for our people, our next priority amid the disruption and uncertainty, was to safely supply customers where we were allowed and encouraged to do so.

We have had a total of 381 confirmed cases among our employees since the pandemic began. These cases are predominantly in the USA where community transmissions are high. Sadly, two employees in the USA have passed away as a result of complications associated with the virus and an employee has lost his wife. As you can appreciate, this has a devastating impact on our people and their families, and we extend our heartfelt sympathy to those more directly affected by the virus and those who are living in areas of high community transmission.

While Boral continued to operate in many countries, we were substantially affected by slowdowns and temporary closure orders – particularly in Asia and North America – as well as higher costs, absenteeism and other disruptions.

It has been a challenging year and a pivotal one for Boral.

To tell you more about our year, I will cover four topics of interest before handing over to Zlatko Todorcevski for his first address as CEO of Boral. The four topics are:

- Boral's safety and financial results for FY2020
- CEO succession and Board renewal
- The portfolio review, which we have now completed, and which Zlatko will expand on, and
- Sustainability priorities.

So, let me now turn to the results for FY2020 and let me start with safety.

SAFETY PERFORMANCE

Boral's safety performance has improved significantly in recent years and with a recordable injury frequency rate (RIFR[1]) of 7.6 in FY2020, our results held steady.

The focus of Boral's people on health and safety and their commitment to delivering a culture of Zero Harm remains as our highest priority.

FY2020 FINANCIAL RESULTS

Looking at Boral's FY2020 financial results. Sales revenue from continuing operations of $5.67 billion was down 1% in FY2020. This includes a 5% reduction in revenue from Boral Australia. The revenue from Boral North America was down 2% in US dollars – although due to favourable exchange rate movements this translated to a 5% increase in revenue in our accounts.

While revenue from USG Boral does not appear in Boral's Group revenue due to joint venture equity accounting, the underlying revenue in the USG Boral joint venture was down 8%.

Earnings in each division were down more substantially. Boral Australia EBITDA declined 25% on a comparable basis, EBITDA from Boral North America fell 28% and in the joint venture, underlying EBITDA was 25% lower.

Higher costs, lower margins and COVID-related production slowdowns and disruptions impacted results in all three divisions.

Overall, for Boral, EBITDA was $825 million for continuing operations, and excluding the impact of the new IFRS leasing standard which came into effect in FY2020, EBITDA was 29% lower than the prior year.

Boral's net profit after tax before significant items was $177 million and excluding the new leasing standard it was $181 million, which was 57% lower than the prior year.

In August, we announced a substantial non-cash impairment charge of A$1.35 billion. This related to assets within Boral North America including goodwill, intangible assets and Boral's investment in the Meridian Brick joint venture. It also related to certain assets in Boral Australia including in Timber, and construction materials businesses in Western Australia and the Northern Territory.

The carrying value assessment took into account the increased demand uncertainty caused by the COVID-19 pandemic and potential longer-term impacts of prevailing economic and operating conditions, as well as recent operating performance of these businesses.

Including significant items, Boral reported a statutory net loss after tax of $1.139 billion, with $1.316 billion of net significant items primarily reflecting non-cash impairment charges.

Cashflow from operating activities of $631 million reflected the strong cash preservation measures, which was a pleasing outcome in a very difficult reporting period.

After paying an interim dividend of 9.5 cents per share on 15 April 2020, the Board determined not to pay a final dividend for FY2020.

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[1] RIFR is the combination of lost time injury frequency rate and medical treatment injury frequency rate, as measured per million hours worked for employees and contractors in 100% owned and all joint venture businesses.

We made the decision to not pay a final dividend because of the significant uncertainty around earnings and the need to prudently manage the balance sheet. The decision was taken in the context of Boral's interim dividend representing about 63% of full year earnings, which is in line with Boral's dividend policy to pay 50% to 70% of earnings before significant items, subject to the company's financial position.

We maintained strong liquidity during the period, with Boral's net debt as at 30 June 2020 of $2.2 billion, steady on the prior year.

Zlatko will talk more about Boral's balance sheet and will also provide a first quarter trading update.

CEO SUCCESSION & BOARD RENEWAL

In recent months, Boral's Board and management renewal has been substantial.

On 15 June, after a comprehensive search, we announced that Zlatko Todorcevski had been appointed as CEO & Managing Director, effective 1 July 2020.

Zlatko's appointment has proven to be outstanding and has been well-received by our people, our customers and our investors. Zlatko has a strong track record as a senior executive and also has recent non-executive director experience including as Chairman of Adelaide Brighton and on the boards of Coles and Star Entertainment Group. He has now transitioned off these boards and is focused completely on Boral.

More recently we have appointed a new Chief Finance & Strategy Officer, Tino La Spina, effective 14 October 2020. Tino is also a highly credentialed executive with deep financial, strategic and operational capability.

We are also undertaking substantial Board renewal. We delivered on our plans to recruit two new directors with deep industry experience and finance capability, with the appointments of Rob Sindel and Deborah O'Toole, respectively, effective late September.

Rob Sindel brings to the Board deep operational experience in building and construction materials and Deborah O'Toole has extensive executive experience and finance capability including as a former CFO in three ASX-listed companies.

We announced that with Seven Group Holdings owning 19.98% of Boral's shares, the Board considers a level of proportionate representation on the Board appropriate, subject always to the nominees being of a suitable calibre. Ryan Stokes and Richard Richards were nominated to the Board as nominees of Seven Group, which the Board considered appropriate, as both Ryan and Richard have experience suitable for Directors and add to the skills and capability of the Board. However, Seven Group has withdrawn its nomination of Richard Richards for election by shareholders as a director.

To ensure Boral's position is protected we have put in place a Board Information Sharing and Conflict of Interest Protocol, while recognising of course that Ryan is an experienced director who is fully aware of his fiduciary obligation to Boral and its shareholders.

We will hear from our new directors later in proceedings.

At the conclusion of today's meeting, John Marlay who joined the Board in December 2009; and Eileen Doyle who joined in March 2010, will retire from the Board of Boral.

On behalf of my fellow directors and shareholders, I thank both John and Eileen for their substantial contribution to Boral over the past 10 to 11 years, including as respective Chairs of the Remuneration & Nomination Committee and the Health, Safety & Environment Committee of the Board. We wish both John and Eileen all the very best.

Paul Rayner is standing for re-election at today's AGM and he will facilitate a smooth transition of the chairmanship of the Audit & Risk Committee in the months ahead. Paul is expected to retire during this next term of office.

I am also standing for re-election today, after two years as Boral's Chairman. I have been requested by the Board and I have agreed to stand for re-election to support leadership stability during this period of renewal, on the basis that I will retire and there will be an orderly transition to a new Chairman in 2021.

PORTFOLIO REVIEW AND REVIEW OF THE HEADWATERS ACQUISITION

Earlier today we announced to the market the outcomes of our portfolio review, and specifically that we have reached agreement to sell our 50% share of USG Boral to our joint venture partner Knauf for an attractive price of US$1.015 billion, subject to typical conditions precedent including in relation to regulatory matters.

Zlatko will provide further detail around the transaction and the portfolio review.

But let me talk specifically about the Headwaters acquisition, which we made in May 2017 and which has failed to meet our expectations and those of our shareholders.

Acknowledging the underperformance, we have reviewed the Headwaters acquisition in very close detail, including engaging external advisors to undertake a review for us.

The external review concluded there was a sound strategic rationale for the acquisition of the Headwaters business, and that a thorough due diligence exercise was undertaken. However, the price paid for Headwaters was full and allowed little margin of safety for the risk of disappointing market volumes and other downside risks, as have since transpired. The lack of risk margin in the acquisition price paid has been compounded by mixed post-acquisition execution, notwithstanding the strong realisation of synergies.

The Board has taken actions including leadership changes in the business, CEO succession and Board renewal. And of course, the portfolio review has been undertaken.

Through the portfolio review, opportunities for value creation have been identified and these are being pursued. Zlatko will cover these in his address.

Finally, let me talk about how we are building sustainability for our company for the long-term.

BUILDING A SUSTAINABLE BUSINESS FOR THE LONG-TERM

During FY2020, we continued to progress towards the adoption of science-based carbon emission reduction targets and full alignment with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), including further scenario analysis work. Boral's Scope 1 and 2 greenhouse gas emissions reduced by 8% to 2.2 million tonnes CO_2-e in FY2020 and our emissions intensity reduced by 6%, largely reflecting lower production volumes.

With CEO transition complete, the portfolio review underway and the need to focus on managing through the COVID crisis, we made a decision to wait until FY2021 to complete the necessary work to adopt science-based targets and carbon emissions reduction pathways, so that we could take into account the outcomes of the portfolio review, and clearly understand how Boral can deliver reduction targets aligned with the Paris Agreement.

Zlatko will comment further on sustainability matters in his address.

CLOSING

On behalf of the Board, I would like to thank all of our shareholders for your ongoing support. And I thank all of Boral's people for their hard work and commitment throughout FY2020. It has been an extraordinary year of challenges and change. And I am confident that the direction we are heading, under Zlatko's leadership, will deliver great outcomes for our people, our customers, and our shareholders.

I now welcome Zlatko Todorcevski to provide his first address as CEO of Boral.

Kathryn Fagg

2020 ANNUAL GENERAL MEETING
TUESDAY, 27 OCTOBER 2020

CEO & Managing Director's Address

by Zlatko Todorcevski

Thank you Kathryn. Good morning ladies and gentlemen.

As you know, I joined Boral on 1 July, at the start of this new financial year. As Boral's CEO & Managing Director I recognise the enormous responsibility I have to you, our shareholders.

This is a great company and I am very optimistic about the future of Boral.

Today, in my first Boral AGM Address, I will talk to you about how our business has been trading in the first quarter of the financial year and update you on the portfolio review work we have been conducting, and decisions we are taking, to increase shareholder value.

BORAL SAFETY PERFORMANCE

Let me first focus on safety. I know safety has been important to Boral, and I am equally passionate and committed to a culture of Zero Harm.

Measures to help manage the risk of COVID-19 remain a key focus including strict hygiene, social distancing, cleaning and quarantine protocols, which are now part of how we operate.

Kathryn talked about Boral's recordable injury frequency rate of 7.6 for FY2020 being broadly steady on the prior year. I am pleased to say that for the first quarter of FY2021, this has reduced to 7.0.

We did not have any reportable fatalities in FY2020. However, in June 2020, a contractor driver was involved in a serious incident in Brisbane, sadly resulting in the fatality of a cyclist. A month later, an employee cement tanker driver was involved in a devastating crash that resulted in the death of a young girl and serious harm to several others.

We are deeply saddened by these tragic events, and our heartfelt sympathy remains with those affected. These devastating events reinforce the need to stay vigilant and to continue to improve road safety for all road users.

The organisation's focus on safety is a critical aspect of Boral's culture that I am committed to preserving and continuing to strengthen.

BORAL'S FY2020 FINANCIAL RESULTS

Kathryn has covered Boral's financial results for FY2020. I won't repeat that information, except to say this: a 55% decline in Boral's FY2020 NPAT on a comparable basis[1], excluding significant items, clearly demonstrates that it was a very challenging year for the Company and we have a lot of work to do.

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[1] For continuing operations, excluding significant items, and excluding the impact of AASB 16 leasing standard, net profit after tax (NPAT) of $187 million was 55% below the prior year.

In addition, we recognised a significant non-cash impairment charge of $1.346 billion. A total of $1.22 billion related to the carrying value of assets within Boral North America, which took into account:

- increased demand uncertainty caused by the COVID-19 pandemic and potential longer-term impacts of prevailing economic and operating conditions, and
- recent operating performance of our businesses.

The remaining $123 million of the impairment was in relation to construction materials assets in Western Australia and the Northern Territory, as well as roofing and timber assets in Australia, again reflecting lower market demand including the COVID-related economic downturn and uncertainty.

The FY2020 results were heavily impacted by COVID-19 disruptions as well as the Australian bushfires, several other one-off impacts and cyclical declines in the Australian and South Korean housing markets.

FIRST QUARTER (JUL-SEP 2020) TRADING UPDATE

The first quarter of FY2021 has seen fewer disruptions in most businesses relative to the previous six months, which is encouraging, but it is still not business as usual.

We're not seeing consistency in activity levels from month to month, which reflects ongoing uncertainty and challenges.

For the first quarter, **Group** revenue was down 9%, in part due to unfavourable exchange rate impacts, while EBIT[1] was down 5% on the prior comparable period. EBIT margin for the first quarter, which is typically a seasonally stronger period, was 9.5%, and compares with ~9% in the September quarter last year.

EBIT from **Boral Australia** was broadly steady on lower revenue relative to the September quarter last year, with EBIT margin of 7.5% slightly better than the same period last year.

Earnings benefited from structured improvement programs which included headcount reductions in FY2020 and early FY2021. And last year we had a $10 million adverse impact in the September quarter due to disruptions at our Berrima and Peppertree operations, which were not repeated this year.

Concrete volumes in the September quarter declined 8%, with weaker activity in NSW and Victoria, including the impact of stage 4 lockdowns in Melbourne. Quarry volumes were down 2% and asphalt volumes were also lower, driven by softer activity in NSW and Queensland.

We are continuing to bid for infrastructure projects that come to market but there is a slowdown in major project work moving into the execution phase. The Federal Government's stimulus funding for infrastructure in the budget is encouraging, but it will take time for any benefits to flow through to activity.

There was no earnings contribution from Property during the quarter, and for FY2021 we expect Property earnings to be below the long-term average of around $35 million. We will provide further clarity on the expected full year contribution from Property with our half year results.

[1] While we previously focused on EBITDA with the acquisition of Headwaters, we are shifting our focus to EBIT, which takes into account depreciation of capital, and aligns with our focus on EBIT return on funds employed (ROFE).

Boral North America underlying US dollar earnings declined on lower revenue, but North America's EBIT margin for the September quarter of ~12% was slightly better than the same period last year, helped by a higher equity contribution from Meridian Brick.

US housing starts and repair & remodel activity have strengthened in the first quarter and there is evidence of positive momentum, with some volume uplift in the month of September in Stone, Light Building Products and Roofing.

However, lead times are stretching out due to continued high levels of COVID related absenteeism, supply chain disruptions and challenges in increasing staffing to support higher production levels. As a result, September quarter volumes in Roofing, Stone and Windows were lower than the prior September quarter. Increased freight costs due to carrier shortages and COVID-related production inefficiencies are also impacting earnings.

Fly Ash volumes were down 11% in the September quarter relative to the September quarter last year, reflecting supply constraints due to COVID-related utility shuts and slowdowns and further closures in the south due to hurricane related disruptions.

In FY2020, we secured 1.3 million tons of additional contracted supply of fly ash, which will be progressively available from FY2021. These volumes more than offset recent contracts that have ended or are not renewing. While we are continuing to work on network optimisation and bringing new supply to market as quickly as possible, FY2021 may be impacted by phasing of volumes rolling off ahead of new contract volumes being available, as well as the continuing utility supply constraints.

In **USG Boral**, we are getting back into a better rhythm with less COVID plant shuts and disruptions. However, general uncertainty and cyclical pressures in Australia and South Korea, and soft trading conditions in Thailand continue to impact demand. We are however, seeing a strong uplift in plasterboard volumes in China.

Underlying revenue for the September quarter was lower than the prior September quarter but underlying EBIT was slightly better. Plasterboard volumes declined by 7% in Australia and 6% in Asia. Prices in Australia were also softer. Earnings benefited from the cost excellence programs which included procurement savings, headcount reductions in late FY2020 and early FY2021, and operating efficiency improvements.

Boral's equity income from the joint venture for the September quarter was steady on the same period last year.

PORTFOLIO REVIEW PROGRESS

Over the past three months we have completed a very thorough review of Boral's portfolio of businesses. The approach was run internally and not by external investment banks. We have assessed every business in every geography, looking at:

- Boral's positions, strengths and the sectors in which we operate
- The future earnings and growth potential for each business, and
- What is needed to drive a sustainable competitive advantage and deliver improved performance in the short, medium and longer-term.

We have also considered requirements for capital, investment opportunities and where management focus is best prioritised for the longer-term.

In many cases, the work we have done has confirmed what we believed.

In other cases, it has shone new light on the challenges and opportunities our businesses face.

What the portfolio review has highlighted is that there are significant opportunities for improvement in almost every business we own, necessitating a considered and measured approach to how we move forward.

USG Boral

Saying that, after an extended period of fully assessing the options available to Boral, we have reached a binding agreement with Knauf to sell our 50% interest in the USG Boral joint venture, subject to typical conditions precedent including in relation to regulatory matters.

This has been a tough decision because USG Boral is a very good business, with strong market positions in mature and emerging markets and growth prospects in Asia particularly. However, the offer from Knauf was compelling and, as such, we believe the sale is an attractive strategic and financial outcome for Boral and our shareholders.

The price agreed of US$1.015 billion, plus cash and working capital adjustments, for Boral's 50% share equates to an implied multiple of 15.1 times USG Boral's underlying normalised FY20 EBITDA[1] and 11.3 times for the joint venture's underlying FY19 EBITDA[1] earnings.

Prior to the transaction closing, Boral will receive a normal dividend of US$32 million. The transaction is expected to complete in FY2021. If the transaction has not closed by 30 September 2021 where Knauf has not completed certain divestments required by regulators, then if either party terminates Knauf must pay Boral a Termination Fee of US$50 million.

Given that Knauf is the global leader in plasterboard with world-leading product technology and innovation capabilities, this is also a very good outcome for USG Boral's employees and customers. Knauf is well placed to leverage the future growth potential of this business.

Boral Australia

In Australia, the portfolio review highlighted the underlying strength of our integrated Quarries, Cement, Concrete and Asphalt businesses, including Boral's excellent vertical integration in key regions, particularly in NSW and along the East Coast.

We have innovative products and a strong brand. We have made recent generational investments in quarries that now need to deliver results and we have good property positions with integrated land assets that can also deliver value when operating sites come to the end of their operational life.

But we also know that our cost base is higher than it should be and that we can deliver much better operating leverage from our assets.

I have been working with the leaders in our businesses to understand how we can better serve our customers, better leverage our assets and operations, and better engage our people to deliver improved outcomes for our shareholders.

[1] Excluding significant items and the impact of IFRS leasing standard (AASB 16). FY2020 multiple is based on reported EBITDA for USG Boral of A$190m 'normalised' to adjust for A$10m reported COVID related production impacts, and converted at FY2020 AUD/USD exchange rate of 0.6703. FY2019 multiple is based on reported EBITDA for USG Boral of A$252m converted at FY2019 exchange rate of 0.7145.

Where we can roll-out products and initiatives faster for our customers we are focused on doing that. We have accelerated the deployment of our sustainable product solutions including our low carbon, high performance concrete, ENVISIA®. Penetration of ENVISIA® is now very encouraging as we have secured supply on numerous projects across all regions.

Under the leadership of Wayne Manners, we have been prioritising opportunities to improve margins and returns through a leaner, more nimble organisation in Australia. We have more work to do to fully develop these plans in the coming months and we will update the market once the program value and timeframe has been fully developed and defined.

We have also identified adjacent growth opportunities in Australia that are potentially attractive extensions of our existing business and deserve further examination.

Finally, in relation to our Australian business, we have considered our property portfolio. Approximately 90% of our property portfolio is committed to active operations, limiting our ability to unlock that value in the near term. However, we are accelerating work to implement identified opportunities to realise greater value from our property portfolio. This includes expediting activities where work is already underway to generate earnings from property development, divestment, and landfill and recycling opportunities. We are also reviewing our network positions in key regions to make available a number of sites that were previously viewed as essential to our operations.

Boral North America

In North America, we have high-quality building products businesses in attractive sectors – across Roofing, Light Building Products (LBP) and Stone. Our building products businesses have strong brands and good positions in many geographies.

However, the portfolio review has confirmed that we have not yet unlocked the full value of these businesses and they have the potential to earn stronger returns through the cycle.

We have identified operational improvements and ways to enhance go-to-market strategies in order to strengthen returns. Product innovation is also an important area of focus with a series of projects in the pipeline, particularly in Roofing and Stone with some close to launch.

We have also identified cross-business opportunities that we have not yet leveraged. For example, in a small number of geographies we are trialling a new approach with national home builders where we are positioned to provide a single service and product offering. Early outcomes of these trials are positive.

Under the leadership of Darren Schulz, the team has commenced execution on many of these opportunities and we intend to pursue value inherent within these businesses.

It may not be surprising to shareholders that with the industry fully aware that we have been undertaking a global portfolio review, we have been approached directly and indirectly with third-party interest in our US assets.

As would be expected, we intend to explore third-party interest in our North American building products businesses to assess if there are enhanced value creation opportunities. We will only entertain third-party interest where a superior value outcome is achievable for our shareholders.

In addition to our fully owned building products business, we have our 50% owned Meridian Brick business, which is continuing to improve as a result of an effective turnaround program. We are working with our JV partner Lonestar, to consider opportunities for further value-creation and the optimal way forward for the business.

Finally, also in North America, is our Fly Ash business, which is an attractive cash generating business with a leading position, strong returns on capital and a solid customer demand profile. The decline of coal-fired power generation necessitates the development of alternative supply options to sustain the attractive return profile longer term.

We are bolstering resources to fully assess and evaluate import options. We are taking the learnings from our pilot landfill harvesting operation at Montour in Pennsylvania to assess how other harvesting opportunities can add to our fly ash supply. Similarly, we are executing on our Kirkland natural pozzolan project which will confirm the viability of natural pozzolan as an alternative supply stream. While headwinds remain, we are focused to ensure that the business is able to deliver acceptable margins and returns in the future.

BORAL'S LIQUIDITY AND BALANCE SHEET

I'll now touch on Boral's balance sheet.

At 30 June 2020, Boral's net debt of $2.2 billion, was in line with the net debt at 30 June 2019, which, given the COVID-19 crisis, was a good outcome.

Boral's level of debt is higher than I believe is ideal, but we remain well within all of our group funding covenants and have ample liquidity headroom.

Our principal debt gearing covenant was at 41%, up from 30% at June 2019, which remains well within our threshold of less than 60%. About 5% of the increase since June 2019 relates to cash drawn and the other 6% relates to the impact of impairment. Our tangible net worth position at 30 June 2020 was $2.3 billion after the impairment charges, exceeding the covenant of >$1.75 billion.

Following completion of the two-year bilateral loan facilities of about A$359 million in May 2020, as well as a US$200 million US Private Placement, our weighted average debt facility maturity is 4.7 years, up from 4.5 years at June 2019.

Boral's liquidity at 30 June 2020 was A$1.66 billion including cash of around A$900 million.

Since 30 June Boral's liquidity has increased to A$1.76 billion due to the receipt of proceeds from the sale of Midland Brick and strong cash generation in the first quarter of FY21. Net debt has reduced to A$1.956 billion.

We remain focused on balance sheet management, including maintaining an optimal capital structure consistent with investment grade credit metrics.

Once completed, the net proceeds from the sale of our USG Boral assets will be applied to reduce our net debt and fund growth investment in the retained portfolio. To the extent we assess we have capital surplus to our needs in the medium to longer term, we will consider how best to return that surplus capital to shareholders.

We also continue to focus on disciplined cost and capital expenditure management.

SUSTAINABILITY AND CLOSING COMMENTS

Before I close, let me briefly add to the comments made by Kathryn in relation to sustainability.

The 2020 Boral Review & Sustainability Report provides shareholders with information about our sustainability priorities and progress, including health & safety, our people, environment, climate impacts, supply chain management, sustainable products and community impacts. This year we published our first Modern Slavery Statement, which is also available on our website.

There has been some great work done in Boral including around reducing emissions, our reconciliation action plan and the development of high waste-content and lower carbon intensive products.

However, we have more to do. We are focused on setting further sustainability objectives and targets in FY2021, including completing the work to set science-based emission reduction targets that align with the Paris Agreement and that are in the context of our portfolio review.

We are committed to safety while strengthening Boral's culture around innovation and customer solutions and ensuring Boral is a great place to work for our people.

For FY2021, our immediate priority is to maintain a safe and careful response to ongoing COVID developments, including flexing production to align with demand and avoiding unintended inventory builds.

We are focused on recovering and strengthening margins, improving return on capital employed, maintaining strong cash flows, and fully exploring the opportunities and rolling out the improvement actions identified through the portfolio review.

Given the continued uncertainty and lack of visibility around market outlook, we are still not in a position to provide guidance for FY2021.

I thank you, our shareholders for your ongoing support and patience. And I want to also thank our Boral team for their hard work and commitment to supporting our customers.

Zlatko Todorcevski

Build something great™

2020 ANNUAL GENERAL MEETING

WEDNESDAY, 27 OCTOBER 2020

Chairman of the Remuneration & Nomination Committee Address

by John Marlay

Thankyou Chairman, and good morning ladies and gentlemen.

My name is John Marlay and I am a Non-executive Director of Boral Limited and the Chairman of the Remuneration & Nomination Committee.

The Committee currently consists of Peter Alexander, Ryan Stokes and Rob Sindel. Rob will take over as Chairman following my retirement at the end of today's meeting.

The Committee is responsible for making recommendations to the Board in relation to suitable candidates and remuneration.

As already noted by the Chairman, CEO renewal was brought forward with the appointment of Zlatko Todorcevski as Boral's new CEO & Managing Director from 1 July 2020.

In FY2020, the Committee was focused on CEO succession, Board renewal and responding to changing business circumstances, particularly in terms of the impact of the COVID-19 pandemic.

The Committee listened to shareholders' views and made firm decisions around remuneration outcomes.

My address today covers four key areas that I think are important to highlight to you. They are:

- Key remuneration outcomes for FY2020 including Boral's response to COVID
- the remuneration structure of Zlatko Todorcevski
- Mike Kane's leaving arrangements, and
- refinements made to Boral's remuneration framework going forward.

I will also touch on Kathryn Fagg's re-election as Chairman.

FY2020 REMUNERATION OUTCOMES AND RESPONSE TO COVID-19

Boral's FY2020 results reflect a particularly challenging year.

While STI opportunities were foregone at the start of the COVID-19 pandemic, no STIs would have been received as FY2020 results were well below budget.

Long-term incentive hurdles, based on Total Shareholder Returns and Return on Funds Employed, were also not met this year.

To manage through the COVID challenges we took several additional steps in relation to remuneration. These included a freeze of executive and employee salaries from the start of COVID-19 and continuing in FY2021, with the next salary review to be in September 2021. We also have a freeze on Non-executive Director fees.

In addition, the existing STI plan for executives was suspended in FY2021 recognising the challenges and uncertainty with which we are operating. This may be reassessed if conditions and performance improves.

For businesses more directly affected by slowdown or temporary closures, in consultation with our people, we amended roster patterns, temporarily reduced working hours, and temporarily stood down employees (also known as furloughing in North America).

We also supported and assisted our people with pandemic leave and access to untaken leave where employees were working reduced hours. Remote and flexible working arrangements, particularly for vulnerable workers were also made available.

REMUNERATION STRUCTURE OF ZLATKO TODORCEVSKI

Turning to the incoming CEO's remuneration structure.

The new CEO's remuneration structure is intended to recognise and reward the decisions and actions that need to be taken to reset and reshape our business.

Zlatko's initial fixed annual remuneration of A$1,900,000, is delivered as 92% in cash and 8% in the form of Boral equity.

Overall, 70% of the incoming CEO's remuneration is provided as 'at risk' remuneration, with the FY2021 remuneration structure focusing on a long-term incentive opportunity but no short-term incentive award.

Short-term performance will be evaluated through objectives and performance outcomes to be agreed between Zlatko and the Board. These will be disclosed in the FY2021 Remuneration Report.

The performance hurdles for the CEO's FY2021 LTI grant will be a combination of return on funds employed (ROFE) relative to WACC and relative Total Shareholder Returns (TSR).

The LTI is subject to a single performance test after three years, with any vested equity for the CEO subject to a further 12 month holding lock or equivalent, except where the sale of shares is required to meet tax obligations.

From FY2022, with the benefit of the portfolio review decisions taken, we will consider whether a more traditional remuneration structure is appropriate, incorporating a short-term incentive. Long-term incentive performance hurdles are expected to also include a measure based on strategic transformation and other potential objectives.

MIKE KANE'S LEAVING ARRANGEMENTS

Mike Kane stood down as CEO on 30 June 2020. His leaving arrangements were consistent with the disclosed terms of his employment agreement and equity plan rules disclosures.

In line with the terms of the employment contract, a separation payment equivalent to 12-month Base Cash Salary was paid.

The Board made a subsequent decision to lapse the retiring CEO's LTI awards in full.

Furthermore, under Boral's equity incentive plan rules, the Board exercised discretion to lapse the component of unvested deferred FY2018 STI rights that corresponded with the overstatement of Windows earnings in the relevant period. This ensured that no unfair or inappropriate benefit was provided. This applied to the retiring CEO and all other executives in the STI plan.

REFINEMENTS TO BORAL'S REMUNERATION FRAMEWORK

Our incentive plans are structured to align with shareholder returns and delivery of our vision for Boral and our growth plans.

We have refined our approach to strengthen that alignment in three specific areas.

1. Given the volatility of Boral's share price and other factors, we changed the basis of the share price calculation to determine the equity and LTI allocation for FY2021. We replaced the 5-day volume weighted average price to 1 September, with a 12-month VWAP to 30 June 2020.

   The allocation methodology for the fixed equity grant to the CEO will be on the same basis. For the FY2021 grants, the VWAP of Boral shares on the ASX during the 12-month trading period to 30 June 2020 is $3.8010.

2. We have introduced a new LTI vesting schedule to be adopted for ROFE performance metric for the FY2021 LTI grant, which is highlighted on the slide. The Board determined that the 'cliff' of allowing 50% vesting at threshold could be better aligned with the overall aim of rewarding incremental performance above WACC.

3. And finally, we have changed the way we treat property earnings in determining STI and LTI outcomes. From FY2021, the STI plan will exclude Property contribution to EBIT, and the LTI plan will reference an average property outcome over a 3-year period to reduce volatility.

Thank you ladies and gentlemen for your attention. I will now hand back to the Chairman.

John Marlay