

Boral 06

Boral Limited
Notice of Meeting 2006

31 August 2006

Dear Shareholder

I am pleased to invite you to attend Boral's Annual General Meeting which will be held in the City Recital Hall, Angel Place, Sydney on Friday, 27 October 2006 at 10:30 am.

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.

The adjoining plan shows the location of the City Recital Hall.

Shareholders are encouraged to arrive before the starting time of 10:30 am to avoid any last minute congestion.

If you do not plan to attend the AGM, you may wish to appoint a proxy to attend and vote on your behalf by completing and lodging the enclosed Appointment of Proxy form. Instructions on how to appoint a proxy and lodge the form are on the back of it. Proxy forms must be received by 10:30 am on Wednesday, 25 October 2006 to be valid for the Meeting.

The full AGM will be webcast live on the internet at www.boral.com.au. The Chairman's and Managing Director's Addresses to the AGM will be placed on Boral's website on the day of the Meeting.

Yours sincerely



KEN MOSS CHAIRMAN



Boral Limited

ABN 13 008 421 761

Level 39 AMP Centre
50 Bridge Street, Sydney
GPO Box 910, Sydney NSW 2001
Telephone (02) 9220 6300
Facsimile (02) 9233 6605



LOCATION OF ANNUAL GENERAL MEETING

NOTICE OF MEETING

BORAL LIMITED ABN 13 008 421 761

NOTICE IS GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF BORAL LIMITED WILL BE HELD IN THE CITY RECITAL HALL, ANGEL PLACE, SYDNEY, NSW ON FRIDAY, 27 OCTOBER 2006 AT 10:30 AM

ORDINARY BUSINESS

Financial Reports

To consider the financial reports, the Directors' Report and the Auditors' Reports for the year ended 30 June 2006.

Remuneration Report – Resolution 1

To adopt the Remuneration Report for the year ended 30 June 2006.

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Election of Directors – Resolutions 2 and 3

To re-elect Directors of the Company:

John Cloney retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Ken Moss retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Separate resolutions will be considered for each of the above candidates for election.

SPECIAL BUSINESS

Increase in Non-Executive Directors' Remuneration – Resolution 4

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

"That the maximum amount available for payment by way of remuneration to non-executive Directors as a whole be increased by \$250,000 per annum to \$1,250,000 per annum."

Note: An explanation of the proposed resolution is set out in the Explanatory Notes accompanying this Notice of Meeting.

Voting Exclusion Statement: As required by the Listing Rules of Australian Stock Exchange Limited ("ASX"), the Company will disregard any votes cast on this resolution by a Director of the Company or by an associate of a Director of the Company.

However the Company need not disregard a vote on the resolution if:-

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Renewal of Proportional Takeover Approval Provisions – Resolution 5

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

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

Note: An explanation of the proposed resolution is set out in the Explanatory Notes accompanying this Notice of Meeting.

By order of the Board.



M B SCOBIE SECRETARY

Sydney, 31 August 2006

NOTES

1. The Company has determined that for the purposes of the Annual General Meeting, all shares in the Company will be taken to be held by the persons who held them as registered shareholders at 7:00 pm on Wednesday, 25 October 2006.
2. A member entitled to attend and vote at the Annual General Meeting has the right to appoint a proxy.
3. The proxy of a member does not need to be a member of the Company.
4. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of 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.
5. Details for completion and lodgement of proxies are on the reverse side of the Form of Proxy. A proxy must be received by the Company C/- Link Market Services Limited, Level 2, 680 George Street, Sydney, NSW 2000 or Locked Bag A14, Sydney South, NSW 1235 by 10:30 am on Wednesday, 25 October 2006. A proxy may be sent by fax to Link Market Services Limited on (02) 9287 0309 or lodged online: www.linkmarketservices.com.au (go to Proxy Voting and follow the prompts).
6. 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 who 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 its representative at the Annual General Meeting by providing that person with:
 - (a) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or
 - (b) a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.

EXPLANATORY NOTES

FINANCIAL REPORTS

While the Corporations Act requires the financial reports, the Directors' Report and the Auditors' Reports of Boral for the year to be laid before the Annual General Meeting, neither that Act nor the Company's Constitution requires shareholders to vote on, approve or adopt those reports.

Shareholders will, however, have ample opportunity at the Annual General Meeting to raise questions on those reports.

ADOPTION OF REMUNERATION REPORT – RESOLUTION 1

The Remuneration Report for the year is set out in clause (19) of the Directors' Report on pages 42 to 48 of the Annual Review.

The Remuneration Report:

- explains the Board's policies relating to remuneration of directors, secretaries and executives within Boral;
- discusses the relationship between such policies and the Company's performance;
- provides details of Boral's performance condition; and
- sets out remuneration details for each director and key management personnel.

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

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

ELECTION OF DIRECTORS – RESOLUTIONS 2 AND 3

Two Directors, John Cloney and Ken Moss, will retire by rotation at the Annual General Meeting.

John Cloney and Ken Moss offer themselves for election. The Board supports the election of the two candidates.

Information about the Directors standing for election is:

John Cloney

Mr Cloney, 65 years of age, joined the Boral Board in 1998. He became a member of the Compensation Committee shortly after joining the Board and has chaired the Committee since 2003.

Mr Cloney is the non-executive Chairman of QBE Insurance Group Limited. His only other listed company directorship during the past three financial years was Patrick Corporation Limited from which he retired in May 2006.

Mr Cloney is a non-executive Director of Maple-Brown Abbott Limited and ABN AMRO Australia Holdings Pty Limited. He is also a member of the ABN AMRO Advisory Council in Australia.

Mr Cloney's career was in international insurance and he was the Managing Director of QBE Insurance Group Limited from 1981 to 1998.

Mr Cloney is a Fellow of the Australian and New Zealand Institute of Insurance and Finance, the Australian Institute of Management and the Australian Institute of Company Directors.

He is the Chairman of the Create Foundation and a Trustee of the Sydney Cricket and Sports Ground Trust.

Having been the chief executive officer of a listed company and a director of a number of industrial and other companies, Mr Cloney is a strong contributor to the Board on financial performance, operational improvement, strategy and human resource matters. The Board also benefits from his extensive international experience.

Mr Cloney was last elected as a Director at the 2003 Annual General Meeting.

Ken Moss

Dr Moss, 61 years of age, joined the Boral Board in 1999 and became the Chairman of Directors in May 2000. He is a member of the Board's Compensation Committee.

Dr Moss is the Chairman of Centennial Coal Company Limited and a Director of Adsteam Marine Limited, GPT Re Limited (the responsible entity for the General Property Trust) and Macquarie Capital Alliance Group (the responsible entity for the Macquarie Capital Alliance Trust). His other listed company directorships during the past three financial years were GPT Management Limited, from which he retired in June 2005, and National Australia Bank Limited, from which he retired in August 2004.

He is a Board Member of Australian Maritime Safety Authority.

Dr Moss is an engineer and was the Managing Director of Howard Smith Limited until he retired in 2000.

With his background as the chief executive officer of a listed industrial company operating in highly competitive markets and having been the chairman or a director of industrial and other companies, Dr Moss brings focus to the Company's strategy of delivering ongoing improvement in shareholder value through strong operational performance and value adding growth. He has experience in building materials businesses.

Dr Moss was last elected as a Director at the 2004 Annual General Meeting.

The Board in the absence of Mr Cloney and Dr Moss has agreed that it supports Mr Cloney and Dr Moss continuing as Directors and standing for re-election. **The Board recommends that shareholders vote in favour of each of the resolutions for the election of Directors.**

INCREASE IN NON-EXECUTIVE DIRECTORS' REMUNERATION – RESOLUTION 4

The ASX Listing Rules require the maximum amount of non-executive Directors' remuneration (fees) to be approved by shareholders in general meeting. The existing maximum amount of remuneration of \$1 million per annum was approved at the 2003 Annual General Meeting.

In line with the guidelines of the ASX Corporate Governance Council, the remuneration of the non-executive Directors is structured on a total remuneration basis in the form of cash, superannuation contributions and Boral shares acquired through the Non-Executive Directors' Share Plan. The practice of accruing retiring allowances for non-executive Directors was discontinued some years ago.

The annual remuneration (fees) payable from 1 July 2006 for non-executive Directors is \$107,000 and for the Chairman is \$294,250. In addition, remuneration of \$11,750 is payable to members of Board Committees and \$17,625 to the chairs of Committees.

Based on the current fees stated above and Board structure, the total remuneration being paid to the non-executive Directors is \$911,500 per annum.

The current fee cap of \$1 million per annum does not provide the flexibility to allow the Board to appoint a further non-executive Director for succession planning purposes at an appropriate time or to accommodate future increases in fees to maintain market competitiveness.

The Board therefore proposes that shareholders approve an increase in the maximum total amount available for payment by way of remuneration to non-executive Directors to \$1.25 million per annum. In the event of the appointment of a further non-executive Director, the increase would allow an average annual remuneration increase of 3.9% over five years.

Because each non-executive Director has an interest in this matter, the Board does not believe it is appropriate to make a recommendation to shareholders in relation to voting on resolution 4.

RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS – RESOLUTION 5

This item of business involves the renewal of provisions in Schedule 5 of the Company's Constitution relating to proportional takeovers. Under the Corporations Act 2001, such provisions must be renewed every three years. As the provisions were last approved at the 2003 Annual General Meeting, they are being put to shareholders this year for renewal by special resolution.

The Corporations Act 2001 requires that the following information be provided with a notice proposing the renewal of the proportional takeover approval provisions:-

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 proportional 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 close of the bid, then the resolution will be deemed to have been approved.

The bidder and any associates will be precluded from voting on the resolution.

Provided the proportional takeover approval provisions are renewed at the Annual General Meeting, they will expire after three years, unless renewed again by shareholders by special resolution.

Reasons for Inclusion

The reason why 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 of their shares. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares, whilst 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 make a proportional takeover bid for the Company's shares or to acquire, or to increase the extent of, a substantial interest in the Company.

Potential Advantages and Disadvantages

The proposed provisions will 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 inserting 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 securing 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.

The resolution to renew the proportional takeover approval provisions is a special resolution and to be passed, requires a 75% majority of shareholders entitled to vote on the resolution. **The Board recommends that shareholders vote in favour of the resolution to renew the proportional takeover approval provisions in Schedule 5 of the Constitution for three years.**