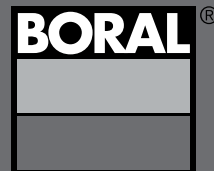


BORAL LIMITED ANNUAL GENERAL MEETING



2015

17 SEPTEMBER 2015

Dear Shareholder

It is my pleasure to invite you to attend the 2015 Annual General Meeting of Boral Limited.

The Meeting will be held at The Civic Pavilion, The Concourse, Chatswood on Thursday, 5 November 2015 at 10.30am. The map opposite shows the location of The Concourse.

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 Tuesday, 3 November 2015 to be valid for the Meeting.

The full AGM will be webcast live on the internet at www.boral.com.au.

The Chairman's Address and the CEO & Managing Director's Address to the AGM will be placed on Boral's website on the day of the Meeting.

Yours sincerely

A handwritten signature in black ink that reads "Bob Every".

Dr Bob Every AO
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 Thursday, 5 November 2015 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 2015.

Item 2: 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 2015."

Voting Exclusion Statement

The Company will disregard any votes cast on Item 2:

- by or on behalf of a member of the key management personnel of the Company (**KMP**) named in the Remuneration Report or a closely related party of those persons (such as close family members and any companies the person controls), 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 2, 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 Note 4).

Item 3: Re-election of Directors

3.1 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."

3.2 To re-elect Catherine Brenner as a Director

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

"That Catherine Brenner, 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."

Bob Every will step down as Chairman and Director effective at the end of the Annual General Meeting.

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 cast on Item 4:

- by or on behalf of Mr Kane and his associates, 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 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 Note 4).

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 at the date of this Notice of Meeting be included as Schedule 5 in the Constitution of the Company for a further period of three years from the date of the Meeting convened by this Notice of Meeting."

Further information in relation to each resolution to be considered at the Annual General Meeting is set out in the enclosed Explanatory Notes. The Notes relating to voting and the Explanatory Notes form part of this Notice of Meeting.

By order of the Board



Dominic Millgate
Company Secretary

Sydney
17 September 2015

Notes

1. 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 Saving Time) on Tuesday, 3 November 2015. Accordingly, transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and vote at the Annual General Meeting.
2. 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.
3. 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.
4. 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 2 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 2 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.
5. The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.
6. Details for completion and lodgment of proxies are outlined on the reverse side of the Proxy Form. The Proxy Form must be received by the Company c/- Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000 or Locked Bag A14, Sydney South NSW 1235 at least 48 hours prior to the Annual General Meeting – that is, no later than 10.30am (Australian Eastern Daylight Saving Time) on Tuesday, 3 November 2015. The Proxy Form may be sent by fax to Link Market Services Limited on (02) 9287 0309 or lodged online: www.linkmarketservices.com.au (go to "Voting" and follow the prompts).
7. 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) 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
 - (b) a copy of the resolution, certified by a secretary or a director of the body corporate, appointing the person as a representative.
8. 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 Wednesday, 28 October 2015) to allow time to collate questions and prepare answers.

Explanatory Notes

ITEM 1 – Financial Reports

While the *Corporations Act 2001* (Cth) (**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 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. 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 – Remuneration Report

The Remuneration Report is part of the Directors' Report for the year and is set out on pages 48 to 64 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 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.

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

ITEM 3 – 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 or appointment. Retiring Directors are eligible for re-election.

John Marlay and Catherine Brenner were last elected as Directors at the 2012 Annual General Meeting. They therefore retire and, being eligible, offer themselves for re-election. As announced by the Company on 20 May 2015, Bob Every will step down as Board Chairman and as a Director effective at the conclusion of this Annual General Meeting.

The Board has undertaken a review of the performance of each Director standing for 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 the Directors standing for re-election are set out below. The Board considers each of these Directors to be independent.

Item 3.1 Re-election of Mr John Marlay



John Marlay, age 66

John Marlay joined the Boral Board in December 2009. Mr Marlay is the Chairman of Cardno Limited and a Director of Incitec Pivot Limited and Independent Chairman of Flinders Ports Holdings Pty Limited. He 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 (with Mr Marlay abstaining) recommends the re-election of Mr Marlay.

Item 3.2 Re-election of Ms Catherine Brenner



Catherine Brenner, age 44

Catherine Brenner joined the Boral Board in September 2010. Ms Brenner is a Director of AMP Limited, Coca-Cola Amatil Limited and SCEGGS Darlinghurst Limited, and a Trustee of the Sydney Opera House Trust. Ms Brenner is also Chairman of AMP Life Limited and the National Mutual Life Association of Australasia. She previously held directorships including Centennial Coal Company Limited and the Australian Brandenburg Orchestra, and was previously a member of the Takeovers Panel. She has extensive experience in corporate finance and capital markets, previously holding the position of Managing Director, Investment Banking of ABN AMRO Australia. She holds an MBA from the Australian Graduate School of

Management and a Bachelor of Laws and Bachelor of Economics from Macquarie University.

Ms Brenner is a member of the Audit & Risk Committee and of the Remuneration & Nomination Committee.

The Board (with Ms Brenner abstaining) recommends the re-election of Ms Brenner.

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 FY2016 (**LTI Rights**); and
- as the deferred component of Mr Kane's earned short-term incentive (**STI**) award for FY2015 (**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

For the purposes of the LTI grant to Boral senior executives made in September 2015, the Company commissioned an independent valuer to determine the fair value of a right subject to the relative TSR hurdle as at 1 September 2015 (**Fair Value**). The Fair Value is the face value of a Boral share on 1 September, discounted for a number of factors that impact the value of a TSR tested right, such as the possibility that the TSR performance hurdle will not be met. Other factors that are taken into account when determining the discount from face value include the time to vesting, expected volatility of the share price and the dividends expected to be paid in relation to the shares. This approach is in line with the methodology used for valuing TSR tested rights for accounting purposes.

It is proposed that Mr Kane be granted 606,440 LTI Rights. This number has been calculated by dividing Mr Kane's total fixed remuneration as at 1 September 2015 (being \$1,789,000) by the Fair Value determined by the independent valuer, PricewaterhouseCoopers (being \$2.95).

Performance Hurdles

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 2018 and there will be no re-testing of either performance hurdle.

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 2015. 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 2015 (**Performance Period**).

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

- for the opening share price, the volume weighted average share price (**VWAP**) during the 60 trading days ending on the first day of the Performance Period, and
- for the closing share price, the VWAP price 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%
Exceeds the 50th percentile of the TSRs of the S&P/ASX 100 but does not reach the 75th percentile	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**) as a percentage of average Funds Employed (where Funds Employed is the sum of net assets and net debt).

The ROFE performance hurdle and relevant targets as determined by the Board are intended to reward achievement linked to improving the Company's ROFE performance through the cycle. Our longer term goal is to exceed the weighted average cost of capital, and the ROFE targets for LTI awards are set progressively with a view to achieving this goal.

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 FY2016, 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 2018 in accordance with the following vesting schedule:

If the Company's ROFE performance for FY2018 is:	The percentage of the ROFE Component which will vest is:
Less than 11.5%	0%
11.5%	50%
Greater than 11.5% and less than 12.0%	Progressive pro rata vesting from 50% to 100% (i.e. on a straight line basis)
12.0% or above	100%

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). For each subsequent year's LTI grant, new ROFE targets will be set.

The Company's ROFE performance will be reported annually in the Company'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 FY2015 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 2015 (subject to shareholder approval being obtained).

The number of STI Rights proposed to be granted to Mr Kane is 75,583.

This number has been calculated by dividing the deferred STI amount (i.e. 20% of the total STI awarded, being \$421,859) by the volume weighted average price (VWAP) of ordinary shares in the Company on the ASX over the 5 trading days following the release of the FY2015 full year results (being \$5.5814).

The STI Rights will vest at the end of the two-year deferral period on 1 September 2017, 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 FY2015 LTI grant of 615,957 rights and FY2014 STI grant of 62,382 rights at the 2014 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.

ITEM 5 – Proportional Takeover Approval Provisions

This item of business involves the re-insertion in the Constitution of the provisions currently contained in Schedule 5 of the Company's Constitution relating to proportional takeovers.

Under the Act, such provisions must be renewed every three years. The provisions were last approved at the 2012 Annual General Meeting. However, the three year period from the date of the 2012 Annual General Meeting will elapse, and the provisions currently contained in Schedule 5 will expire, just prior to this year's Annual General Meeting. It is for this reason that the resolution seeks shareholder approval for the re-insertion of those provisions into the Constitution (rather than their renewal).

The Act requires that the following information be provided with a notice proposing the adoption or renewal of the proportional takeover 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 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.

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

Reasons for Inclusion

The reason Schedule 5 was included in the Constitution previously, and is proposed to be re-inserted, 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 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.

(Continued over page)

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 resolution to re-insert the proportional takeover approval provisions in Schedule 5 of the Company's Constitution for a further three years.

Boral Limited

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