BORAL

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12 April 2024

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir / Madam

BORAL LIMITED (ASX:BLD) – SECOND SUPPLEMENTARY TARGET'S STATEMENT IN RELATION TO TAKEOVER OFFER FROM NETWORK INVESTMENT HOLDINGS PTY LIMITED

We attach, by way of service pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688), a copy of the second supplementary target's statement ("**Second Supplementary Target's Statement**") of Boral Limited (ACN 008 421 761) ("**Boral**") which supplements Boral's Target's Statement dated 19 March 2024, and Boral's First Supplementary Target's Statement dated 4 April 2024, in response to the off-market takeover bid by Network Investment Holdings Pty Limited (ACN 078 448 512) ("**SGH Bidder**"), a wholly owned subsidiary of Seven Group Holdings Limited (ACN 142 003 469), for all the ordinary shares in Boral.

The Second Supplementary Target's Statement has been sent to SGH Bidder and lodged with the Australian Securities & Investments Commission today.

This letter was authorised to be given to the ASX by the Boral Bid Response Committee.

Yours sincerely,

J-P Wallace

Jean-Paul Wallace
Company Secretary

Second Supplementary Target's Statement in relation to SGH Offer

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the second supplementary target's statement (***Second Supplementary Target's Statement***) issued by Boral Limited (ACN 008 421 761) (***Boral***) in relation to the off-market takeover bid made by Network Investment Holdings Pty Limited, a wholly-owned subsidiary of Seven Group Holdings Limited (ACN 052 816 789) (***SGH***) for all the ordinary shares in Boral that SGH does not already own. This document supplements, and should be read together with, Boral's target's statement dated 19 March 2024 (***Target's Statement***) and Boral's first supplementary target's statement dated 4 April 2024 (***First Supplementary Target's Statement***).

Unless otherwise specified, capitalised terms used but not defined in this Second Supplementary Target's Statement have the same meaning given to them in the Target's Statement. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement or the First Supplementary Target's Statement.

A copy of this Second Supplementary Target's Statement is being lodged with ASIC today. Neither ASIC nor any of its officers take any responsibility for its contents. A copy of this Second Supplementary Target's Statement has also been provided to the ASX. Neither the ASX nor any of its officers takes any responsibility for the contents of this document.

1 Background to change in BRC recommendation

The Bid Response Committee of the Boral Board (***BRC***) notes that several recent developments have occurred that have resulted in the BRC re-considering its recommendation in relation to the SGH Offer. These include the increase in SGH's interest in Boral by approximately 7.2% from 71.6%[1] at the commencement of the SGH Offer to 78.8% today; recently proposed changes by SGH to Boral governance arrangements and the consequences which flow from these changes to Boral as a standalone listed company; and the package of measures (described below) which the BRC has been able to negotiate with SGH to enhance the value received by Boral Shareholders who accept the SGH Offer.

The key points which the BRC has taken into account in re-considering its recommendation in relation to the SGH Offer include the following:

(a) SGH's interest[1] in Boral has now increased to 78.8% and, with the likelihood that this will increase further before the end of the Offer Period, there is a risk for minority shareholders that liquidity in trading of Boral Shares will reduce, perhaps materially, which may adversely affect their ability to dispose of their Boral Shares in the future.

(b) In its Bidder's Statement, SGH outlined its intentions for Boral after the SGH Offer, including SGH's intention to re-constitute the Board of Boral with a majority of SGH nominees, and only retain sufficient independent directors to satisfy ASX Listing Rule requirements. SGH also outlined other intentions in its Bidder's Statement, such as the intention to seek to de-list Boral from the ASX, subject to compliance with ASX and other legal requirements, and SGH's expectation that Boral would be unlikely to pay dividends for some time. SGH has recently proposed to implement governance changes to Boral, including but not limited to, requiring the appointment of 2 additional SGH employees to the Boral Board. This would result in SGH nominees having effective control of decision-making on the Boral Board and would reduce the influence of independent voices on the

[1] This includes SGH's interest under a physically-settled equity swap (6.2% as at 11 April 2024).

Board. Following this change, SGH will have the ability to exert significantly greater control with respect to governance, strategy, day to day operations, management and capital allocation of the Boral business. The BRC has concerns about the impact of these changes on Boral as a standalone listed company for minority Boral Shareholders in the near term, particularly given the previous statements by SGH in its Bidder's Statement regarding SGH's intentions for Boral.

(c) The BRC has been able to negotiate a package of measures with SGH to enhance the value received by Boral Shareholders who accept the SGH Offer. These measures are as follows:

(i) **Increase in cash component of offer price to $1.70 per share from the prior minimum level of $1.50 per share:** SGH will waive the conditions on the increase of the cash component of the SGH Offer consideration to $1.70 per share. Previously, the SGH Offer Price would only increase from $1.50 per share to $1.60 per share on SGH attaining an interest in Boral of 80% or the Boral BRC unanimously recommending that Boral Shareholders accept the SGH Offer, and to $1.70 per share where SGH achieved the 90.6% relevant interest in Boral Shares which it requires to achieve compulsory acquisition. The cash component of the SGH Offer consideration will now become $1.70 per Boral Share, irrespective of acceptance levels. Boral Shareholders who have already accepted the SGH Offer and received their consideration are still entitled to receive the increased consideration.

(ii) **Franking credits from fully franked Boral dividend of 26 cents cash per share:** Boral will pay a fully franked dividend of 26 cents cash per Boral Share, with a dividend record date of 18 April 2024 (***Boral Dividend***).

As required by the SGH Offer terms, the 26 cents per share face value of the dividend received by Boral Shareholders will be deducted from the value of the SGH Offer. However, those Boral Shareholders who are on the Boral register at the Boral Dividend record date, and who are Australian tax residents, may be able to obtain the benefit of the franking credits on the Boral Dividend (the franking credits would not result in any adjustment to the SGH Offer and would accrue to Boral Shareholders). The franking credits attached to the Boral Dividend are approximately 11.1 cents per share.

The 26 cents per share adjustment for the Boral Dividend will be made to the cash component of the SGH Offer consideration, resulting in the Cash Consideration becoming $1.44 for each Boral Share. The aggregate consideration received by Boral Shareholders who accept the SGH Offer after the Boral Dividend record date will therefore now be 0.1116 SGH Shares, plus $1.44 in cash, for each Boral Share, in addition to the 26 cents per share Boral Dividend which those Boral Shareholders will also receive.

The Boral Dividend is proposed to be paid on or about 26 April 2024.

(iii) **Potential on-market share buy-back:** Boral will have the option, if the BRC determines it is appropriate, to undertake an on-market buy-back (***Buy-back***). Shares will be purchased at up to prices based on the prevailing implied SGH Offer consideration and subject to a maximum Buy-back price of $6.42 per Boral Share (on a cum-dividend basis). The Buy-back would also be subject to a maximum total size of up to 5% of Boral's issued capital or approximately $350 million[2] and cease to operate after 10 May 2024. The on-market Buy-back is

[2] Assuming illustratively that the full Buy-back amount is purchased at the maximum Buy-back price.

intended to provide enhanced liquidity for Boral Shareholders who are looking to sell their holdings on-market.

(iv) **SGH fully franked dividend:** SGH will pay a fully franked dividend of 30 cents per SGH Share (***SGH Dividend***), which is equivalent to approximately 3.3 cents cash per Boral Share. Boral Shareholders who accept the SGH Offer will receive this additional cash payment.

Additionally, franking credits attached to the SGH Dividend achievable by Boral Shareholders who accept the SGH Offer are approximately 1.4 cents per share.

The record date for this SGH Dividend will be after the close of the SGH Offer (such that any Boral Shareholders who accept the SGH Offer and retain the SGH Shares received will be entitled to this SGH Dividend). The SGH Dividend allows for Boral Shareholders who accept the SGH Offer and hold their SGH Shares at the SGH Dividend record date for the SGH Dividend to receive additional cash.

(v) **Changes to rounding:** SGH will amend the calculation for the Scrip Consideration such that Boral Shareholders receiving a fraction of an SGH Share will no longer be rounded down to the next whole number of SGH Shares, but will instead be rounded to the nearest whole number of SGH Shares. This will apply to Boral Shareholders who have already accepted the SGH Offer.

The total value receivable by Boral Shareholders through the SGH Offer now, should the Boral Shareholder receive the Boral Dividend and the SGH Dividend, is $6.16 to $6.39 per Boral Share plus approximately 13 cents per share in franking credits for Boral Shareholders who are able to obtain the benefit of the franking credits.[3]

This value receivable by Boral Shareholders who accept the SGH Offer taking into account this new package of measures would be comprised of the following[3]:

1. **the SGH Offer Consideration**. This comprises 0.1116 SGH Shares per Boral Share and $1.70 in cash per Boral Share or, after adjusting for the Boral Dividend, $1.44 in cash per Boral Share. After adjusting for the Boral Dividend, this equates to a value of $5.90 to $6.13 per Boral Share based on a SGH price range of $40.00 to 42.00 per share; PLUS
2. **the Boral Dividend of 26 cents cash per share** and, for shareholders who are able to obtain the benefit of them, 11.1 cents of franking credits attached to the Boral Dividend; PLUS
3. **the SGH Dividend of 30 cents per share**, which is equivalent to approximately 3.3 cents cash per Boral Share. The franking credits attached to the SGH Dividend are approximately 1.4 cents per Boral Share.

This compares with the Independent Expert's value range for Boral of $6.42 to $7.05 per Boral Share.

2 Independent Expert's Opinion

The BRC asked the Independent Expert, Grant Samuel & Associates Pty Limited (***Grant Samuel***), to consider the package of measures agreed between Boral and SGH and the change in circumstances and advise whether these factors result in any change to its opinion. After considering these matters, Grant Samuel has formed the view that the SGH Offer is now reasonable. Grant Samuel's letter to the BRC which sets out this view is annexed to this Second Supplementary Target's Statement as Attachment 1.

[3] Assuming the Boral Shareholder attributes 100% value to the franking credits of approximately 11.1 cents per share from the Boral Dividend and approximately 1.4 cents per share from the SGH Dividend and using the Independent Expert's estimated fair market value for SGH Shares of $40.00-$42.00 applied to the revised Offer consideration of 0.1116 SGH Shares and $1.44 cash per Boral Share in addition to the 26 cents per share Boral Dividend. The last closing price of Boral Shares on 11 April 2024 was $40.03.

3 BRC Recommendation

Given the circumstances outlined above, which have the potential to have an adverse impact on the ability of Boral to continue as a standalone listed company, as well as the revised Grant Samuel view that the SGH Offer is now reasonable, the BRC believes that the SGH Offer represents the most attractive outcome available to Boral Shareholders, particularly when measured against the risks of remaining as a minority shareholder now that SGH has a total interest[4] of 78.8% in Boral.

Accordingly, the BRC unanimously recommends that Boral Shareholders ACCEPT the SGH Offer or sell their Boral Shares on-market. Shareholders should WAIT until after the record date for the Boral Dividend (18 April 2024) to do this, in order to receive the franking credits attached to the Boral Dividend. The BRC members who hold Boral Shares also intend to accept the SGH Offer or sell on-market in respect of all the Boral Shares they own or control. Whilst this decision is very finely balanced, the BRC has been particularly mindful of the minority shareholders, including Boral's large number of retail shareholders.

4 Reasons to ACCEPT the SGH Offer or sell on-market

The BRC recommends that Boral Shareholders accept the increased SGH Offer or sell their Boral Shares on-market for the following reasons:

1. The agreement of SGH to waive the existing conditions to the price increases for the SGH Offer, such that the cash component of the consideration is increased from the prior minimum of $1.50 per share to the Maximum Consideration of $1.70 cash per share, irrespective of acceptance levels, rather than the prior minimum of $1.50 cash per Boral Share, increases certainty for Boral Shareholders of the level of Cash Consideration which they will receive.
2. Boral Shareholders will be entitled to receive aggregate franking credits of approximately 13 cents per Boral Share (being approximately 11.1 cents per share by way of the Boral Dividend and approximately 1.4 cents per share by way of the SGH Dividend). The total value receivable by Boral Shareholders through the SGH Offer now, should the Boral Shareholder receive the Boral Dividend and the SGH Dividend, is $6.16 to $6.39 per Boral Share, plus approximately 13 cents per share in franking credits for Boral Shareholders who are able to obtain the benefit of the franking credits.[5] Although the BRC is aware that not all Boral Shareholders can avail themselves of these franking credits, there is additional value through the dividends to certain Boral Shareholders. This value receivable by Boral Shareholders who accept the SGH Offer taking into account this new package of measures would be formed as follows[5]:
    i. The SGH Offer Consideration, comprising 0.1116 SGH Shares per Boral Share and $1.70 in cash per Boral Share, or after adjusting for the Boral Dividend, $1.44 in cash per Boral Share. After adjusting for the Boral Dividend, this equates to a value of $5.90 to $6.13 per Boral Share based on a SGH price range of $40.00 to 42.00 per share; PLUS
    ii. The Boral Dividend of 26 cents cash per share and the franking credits attached to the Boral Dividend, which are approximately 11.1 cents per Boral Share; PLUS

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[4] This includes SGH's interest under a physically-settled equity swap (6.2% as at 11 April 2024).
[5] Assuming the Boral Shareholder attributes 100% franking value and using the Independent Expert's estimated fair market value for SGH Shares of $40.00-$42.00 applied to the revised Offer consideration of 0.1116 SGH Shares, $1.44 cash and 26 cents Boral Dividend per Boral Share. The last closing price of Boral Shares on 11 April 2024 was $40.03.

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   iii. The SGH Dividend of 30 cents per share, which is equivalent to approximately 3.3 cents cash per Boral Share. The franking credits attached to the SGH Dividend are approximately 1.4 cents per Boral Share.

3. No higher offer is likely in the short term. SGH has declared that the SGH Offer is best and final, and it is unlikely that a competing proposal will emerge given SGH currently has an interest in 78.8% of Boral Shares and has stated it has no intention of handing over control. SGH has also made a 'truth in takeovers' statement that it will not acquire Boral Shares for an amount above $6.25 per share for at least 12 months following the close of the SGH Offer.
4. The specific risks associated with remaining as a minority shareholder in Boral have increased following the increase in SGH's ownership and ability to exert control over Boral, in particular with the appointment of further SGH employees to the Boral Board. As discussed above, these risks include SGH having the ability to exert significantly greater control with respect to governance, strategy, day to day operations, management and capital allocation of Boral. Combined with the increase in SGH's ownership, these factors may also lead to a reduction in the liquidity in trading of Boral Shares which may impact the ability of minority shareholders to dispose of their Boral Shares. There is also the potential for further changes to the corporate governance or management of Boral going forward, the potential for a de-listing and the likelihood that Boral may not pay dividends for some time. The BRC has concerns about the impact of these changes on Boral as a standalone listed company for minority investors, particularly given the previous statements in the Bidder's Statement regarding SGH's intentions for Boral.
5. Grant Samuel, after considering these matters set out above, and the package of measures agreed with SGH to enhance value for Boral Shareholders, has formed a revised view that the SGH Offer is now reasonable.

The BRC is recommending that Boral Shareholders either accept the SGH Offer or sell their shares on market. Boral Shareholders should have regard to their own personal circumstances and seek their own professional advice, but a Boral Shareholder may want to consider selling their Boral Shares on-market if:

1. They have a preference for receiving 100% cash for their Boral Shares.
2. They do not want to receive SGH Shares as consideration.
3. To the extent they sell prior to the Boral Dividend record date, if their personal tax circumstances are such that they do not receive the benefit of Australian franking credits.

5 CGT rollover relief on the scrip component of the SGH Offer consideration

The BRC notes that, as at 12 April 2024, SGH's physical shareholding in Boral[6] is still approximately 7.4% short of the 80% threshold required for Boral Shareholders to receive scrip-for-scrip CGT rollover relief on the scrip component of the Offer Consideration. If SGH's interest reaches this threshold, however, this relief will be available on the Scrip Consideration to all Boral Shareholders who accept the SGH Offer even if they accepted prior to SGH meeting the threshold.

6 Consent of Grant Samuel

Grant Samuel has given, and not withdrawn before the lodgement of this Second Supplementary Target's Statement with ASIC, its written consent to be named in this Second Supplementary Target's Statement in the form and context in which it is named as the Independent Expert and to the inclusion of the letter set out in Attachment 1 to this Second Supplementary Target's Statement. Grant Samuel has not authorised or caused the issue or preparation of this Second

[6] Which excludes SGH's interest under its physically settled equity swap (6.2% as at 11 April 2024).

Supplementary Target's Statement and, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Second Supplementary Target's Statement other than the references specified above.

7 Authorisation

This Second Supplementary Target's Statement has been approved by a resolution passed by the Bid Response Committee of Boral Limited (ACN 008 421 761).

Dated 12 April 2024.

Signed for and on behalf of Boral:

date	12 April 2024
sign here ►	
print name	Robert Sindel
position	Lead Independent Non-Executive Director, and Chairman of the Bid Response Committee

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Attachment 1 – Letter from Grant Samuel & Associates Pty Ltd

GRANT SAMUEL

12 April 2024

Bid Response Committee
Boral Limited
Level 3, Triniti 3
39 Delhi Road
North Ryde NSW 2113

Dear Bid Response Committee

Seven Group Offer

1 Introduction

On 19 February 2024, Seven Group Holdings Limited ("Seven Group") announced an off-market takeover offer for all the shares in Boral Limited ("Boral") that it did not already own ("the Seven Group Offer"). The Seven Group Offer for each Boral share comprised:

- 0.1116 shares in Seven Group;
- a cash payment of $1.50; and
- additional cash payments of:
  - 10 cents per share if Seven Group reaches an aggregate interest of at least 80% in Boral or the Boral Bid Response Committee ("BRC") unanimously recommends that shareholders accept the Seven Group Offer; and
  - a further 10 cents per share (i.e. $1.70 per share in total) if Seven Group reaches the compulsory acquisition threshold of 90.6%.

The Seven Group Offer was stated to be "best and final".

Grant Samuel & Associates Pty Limited ("Grant Samuel") prepared an independent expert's report ("IER") dated 18 March 2024 for Boral shareholders in relation to the Seven Group Offer. The full report is included as Attachment 1 to the Target's Statement dated 19 March 2024 sent by Boral to its shareholders. Grant Samuel concluded that:

"The Seven Group Offer is not fair. It is also not reasonable although the judgement is finely balanced and:

- *for non associated shareholders with a low tolerance for risk there is a case for accepting the offer; and*
- *the conclusion may change if circumstances change."*

The opinion was confirmed in a supplementary letter dated 4 April 2024 ("First Supplementary Letter").

On 12 April 2024, Seven Group and Boral announced a package of measures designed to enhance the value received by shareholders who accept the Seven Group Offer. These changes are:

- the conditions to the additional cash consideration (i.e. the two 10 cent payments) have been waived. Accordingly, all shareholders accepting the Seven Group Offer will now receive $1.70 per share in cash (but adjusted for the Boral dividend described below);

- Boral will pay a 26 cents per share fully franked dividend on 26 April 2024 (Boral shares will go ex dividend on 17 April 2024). The cash consideration will be reduced by a corresponding amount (i.e. 26 cents);
- Boral will have the option to undertake an on market buyback commencing on 26 April 2024. The purchase price for the buyback will be the "see through" value of the Seven Group Offer based on the prevailing Seven Group share price on the Australian Securities Exchange, subject to a maximum buyback price of $6.42 per Boral share. The buyback will be capped at 5% of Boral's issued capital which is equivalent to approximately 20% of the remaining shares in Boral (other than those owned by Seven Group);
- Seven Group will pay a special fully franked dividend of 30 cents per Seven Group share after the close of the Seven Group Offer. Accordingly, all Boral shareholders accepting the offer (and retaining the Seven Group shares received as consideration) will receive this dividend (equivalent to approximately 3.3 cents per Boral share); and
- entitlements to Seven Group shares under the Seven Group Offer will now be rounded to the nearest whole number rather than being rounded down.

In addition:

- Seven Group has nominated two Seven Group executives as additional directors of Boral; and
- Seven Group has disclosed that it now has a relevant interest in 78.8% of Boral (compared to 71.8% on the initial announcement of the Seven Group Offer).

The BRC has asked Grant Samuel to consider the amendments to the Seven Group Offer and any change in circumstances and advise whether these factors result in any change to Grant Samuel's opinion.

2 Impact on Opinion

Grant Samuel's opinion as to reasonableness was flagged in the IER as being finely balanced. While the premium to Boral's pre offer share price remains modest by market standards, the amendments to the Seven Group Offer and the change in circumstances detailed above, taken as a whole, are sufficient to warrant the opinion being changed such that the Seven Group Offer is now reasonable. The reasons are summarised below:

- waiver of the conditions for the additional cash payments enhances the value proposition for shareholders. They are now assured of receiving cash of $1.70 per Boral share (adjusted for the Boral dividend payment). Previously, shareholders could not be certain of receiving the second conditional payment of 10 cents if they accepted the Seven Group Offer as it was dependent on Seven Group reaching the compulsory acquisition threshold of 90.6%. Shareholders would not have been able to withdraw their acceptance if the threshold was not reached by the close of the Seven Group Offer.

  Indeed, they could not be certain of receiving the first conditional 10 cent payment unless they used the acceptance facility (and would have their shares returned if the 80% threshold was not reached).

  The relevant value of the consideration offered by Seven Group is now $6.16-6.39 (mid point $6.28), based on a Seven Group share price of $40-42;
- the Boral and Seven Group dividends do not increase the value of the Seven Group Offer but the release of franking credits means that, depending on their tax position, some shareholders will be better off in after tax terms than they would have been had the same amount been paid as part of the acquisition price and received as a capital gain. The benefit will depend on the individual circumstances of each shareholder.

  The following table sets out illustrative calculations for a variety of shareholder types:

DIVIDEND PAYMENTS – FRANKING CREDIT BENEFIT ANALYSIS (CENTS)

	FOREIGN RESIDENT SHAREHOLDER[1]	AUSTRALIAN RESIDENT INDIVIDUAL[2]			AUSTRALIAN SUPER FUND	AUSTRALIAN CORPORATE
		45% MARGINAL RATE	30% MARGINAL RATE	0% MARGINAL RATE		
Received as a fully franked dividend						
Dividends[3]	29.3	29.3	29.3	29.3	29.3	29.3
Franking credit		12.6	12.6	12.6	12.6	12.6
Gross taxable income	**29.3**	**41.9**	**41.9**	**41.9**	**41.9**	**41.9**
Tax payable		(19.7)	(13.4)	-	(6.3)	(12.6)
Tax credit		12.6	12.6	12.6	12.6	12.6
Net tax (payable)/receivable	**t**	**(7.1)**	**(0.8)**	**12.6**	**6.3**	**-**
Net after tax income	**29.3-t**	**22.2**	**28.5**	**41.9**	**35.6**	**29.3**
Received as a capital gain						
Gain	29.3	29.3	29.3	29.3	29.3	29.3
Tax payable	t	(6.9)	(4.7)	-	(2.9)	(8.8)
Net after tax income	**29.3-t**	**22.4**	**24.6**	**29.3**	**26.4**	**20.5**
Net benefit of dividend	**-**	**(0.2)**	**3.9**	**12.6**	**9.2**	**8.8**

Primarily, the benefits from franked dividends (relative to capital gains) flow to Australian resident shareholders on lower tax rates (e.g. superannuation funds). There is no benefit to foreign resident shareholders, while Australian resident individual shareholders on the top marginal tax rate would have been marginally better off receiving the amount as a capital gain;

- the potential buyback will enable those shareholders that wish to "cash out" to potentially receive cash for some of their Boral shareholding (or even all of their shareholding depending on the level of take up of the buy back by other shareholders).

  Shareholders should note that based on the closing Seven Group share price on 11 April 2024 of $40.03, the buyback price would be $6.17.

  This amendment provides an increased degree of flexibility and liquidity for shareholders;
- with the nomination of two additional directors Seven Group will have effective control of the board of Boral (four out of eight directors together with the Chairman's casting vote); and
- Seven Group has increased its interest in Boral (including swaps) to almost 79% (from circa 72%). It seems likely that it will pass 80% which could be expected to have some adverse impact on the liquidity of the ongoing market for shares in Boral (assuming it remains a publicly listed company).

On the other hand, shareholders need to understand that they remain at risk of not obtaining capital gains tax rollover relief unless Seven Group obtains a relevant interest in Boral of approximately 80% (which will exclude its 6.2% interest under a physically settled swap).

Grant Samuel also notes that the dividend (circa $290 million) and the buyback (of up to 5% of Broal's issued capital or circa $350 million[4]) will result in a significant increase in the net debt position of Boral as a

1 Assumes the same tax rate applies to Australian dividend income and an Australian capital gain for a foreign resident shareholder. As tax rates will vary for each foreign resident shareholder, the tax payable by a foreign resident shareholder has been shown as "t" for the purposes of this analysis. Foreign resident CGT withholding tax of 12.5% can apply in certain circumstances although the expectation is that it should not apply in the current circumstances.

2 Assumes the shares have been held for more than 12 months and that the Medicare levy is 2% (but does not apply to 0% tax payers).

3 Comprises the Boral dividend of 26 cents per share and the Seven Group special dividend of 30 cents per share (equal to 3.3 cents per Boral share).

4 Approximate amount assuming the full buyback amount is purchased at the maximum buyback price.

public company (unless Seven Group achieves compulsory acquisition). However, that level of debt should be manageable for a company with Boral's earnings capacity and cashflow.

3 IER dated 18 March 2024

At the request of the Australian Securities and Investments Commission, Grant Samuel provides the following clarification in relation to its IER dated 18 March 2024:

- Section 5.3.1 of the IER describes Grant Samuel's valuation approach for Boral. In addition, it should be noted that:
  - the DCF analysis and implied multiples were considered concurrently on an integrated basis;
  - it is not a mechanical process. It is an iterative process with the objective of determining a value that is both consistent with the market evidence as to multiples and fits with the output of the DCF analysis in terms of the various scenarios and their likelihood; and
  - Grant Samuel does not believe that its valuation approach is capable of being reduced to a simple weighting calculation (nor would this be meaningful to shareholders). Both methodologies were given significant weight and neither was used as a cross check; and
- in relation to the DCF analysis set out in Section 5.4.2 of the IER:
  - the DCF scenarios are inherently hypothetical. They do not represent forecasts. Rather they are in the nature of "what if". In other words, they are outcomes that could happen rather than projections of what is expected to happen;
  - in the context of the nature of the DCF scenarios, Grant Samuel considers that the forward looking information used in the DCF scenarios set out in Section 5.4.2 under the headings "DCF Assumptions" and "DCF Scenarios" is based on reasonable grounds;
  - the weight given to each scenario in considering the value range was subjective and not capable of being expressed in percentage terms; and
  - Scenario E is within the value range adopted by Grant Samuel but this is coincidental. While Scenario E supports the value range, it was not determinative in assessing the appropriate value range.

4 Other Matters

This letter should be read in conjunction with the full IER dated 18 March 2024 included as Attachment 1 to the Target's Statement and the First Supplementary Letter dated 4 April 2024 included with the First Supplementary Target's Statement. In particular, all limitations, disclaimers and declarations set out in that IER apply in full to this letter.

This letter is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Boral shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Target's Statement, the First Supplementary Target's Statement and the Second Supplementary Target's Statement issued by Boral in relation to the Seven Group Offer.

Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Seven Group Offer, the responsibility for which lies with Boral's Bid Response Committee. In any event, the decision whether to accept or reject the Seven Group Offer is a matter for individual shareholders, based on their own views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Seven Group Offer should consult their own professional adviser.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included as Appendix 1 to this letter.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully
GRANT SAMUEL & ASSOCIATES PTY LIMITED

Grant Samuel & Associates

GRANT SAMUEL

APPENDIX 1

FINANCIAL SERVICES GUIDE

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for Boral Limited ("Boral") dated 18 March 2024 in relation to the Seven Group Offer ("the Boral Report"), Grant Samuel received a fixed fee of $1.25 million plus reimbursement of out-of-pocket expenses (as stated in Section 9.3 of the Boral Report). In respect of the supplementary letter for Boral dated 4 April 2024 ("First Supplementary Letter") and this letter for Boral ("Second Supplementary Letter"), Grant Samuel will receive an additional fee based on executive time incurred.

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Boral Report, the First Supplementary Letter or the Second Supplementary Letter.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 March 2011. The following information in relation to the independence of Grant Samuel was stated in Section 9.3 of the Boral Report:

> ***"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with Boral or Seven Group or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Seven Group Offer.***
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> ***Related entities of Grant Samuel have been retained to advise:***
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> - ***Seven West Media Limited (an ASX listed entity in which Seven Group has a 40.2% shareholding), in relation to the refinancing of its existing debt facilities (completed in November 2023); and***
> - ***LOGOS Investment Management Pty Limited ("LOGOS") (a privately held logistics property specialist), in relation to an industrial development on the Deer Park property in partnership with Boral. Comprehensive development agreements between LOGOS and Boral have been signed but, as at the date of this report, they remain subject to the satisfaction of certain conditions precedent (including planning outcomes).***
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> ***Grant Samuel does not consider these assignments capable of affecting its ability to provide an unbiased opinion in relation to the Seven Group Offer.***
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> ***Grant Samuel had no part in the formulation of the Seven Group Offer. Its only role has been the preparation of this report.***
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> ***Grant Samuel will receive a fixed fee of $1.25 million for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Seven Group Offer. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.***
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> ***Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011."***

Grant Samuel has internal complaints-handling mechanisms and is a member of the Australian Financial Complaints Authority, No. 11929. If you have any concerns regarding the Boral Report, please contact the Compliance Officer in writing at Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Australian Financial Complaints Authority at GPO Box 3 Melbourne VIC 3001 or 1800 931 678. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act, 2001.

Grant Samuel is only responsible for the Boral Report, the First Supplementary Letter, the Second Supplementary Letter and the associated FSGs. Complaints or questions about the Disclosure Document and any other supplementary information should not be directed to Grant Samuel which is not responsible for those documents. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.