



# ASX RELEASE

7 June 2012

## Boral Chief Executive Officer - Contract Arrangements

The Board of Boral Limited (ASX:BLD) today announced the contract arrangements for Boral's new Chief Executive Officer, Mr Ross Batstone. Mr Batstone has been appointed Chief Executive Officer until his retirement effective 1 July 2013, with the Company having the flexibility to request Mr Batstone to step down earlier or to continue in the role beyond 1 July 2013 pending the appointment of a new Managing Director/Chief Executive Officer.

A summary of the key terms of Mr Batstone's contract is attached.

Dr Bob Every, Boral's Chairman, said, "The Board looks forward to working closely with Ross and his management team as they continue to implement the programmes of lean manufacturing and Sales & Marketing Excellence, and the continued integration of Boral Gypsum Asia.

"The Board has commenced an international search process to identify candidates for the role of Managing Director/CEO. Both internal and external candidates will be considered to ensure that the right person is appointed to the position. Significant flexibility has been built into Ross's contract to cater for a smooth transition with the new appointment."

Ross Batstone commented, "I am excited by the personal challenge ahead and by the ability of our people to take our great company forward.

"I will be working closely with the Board while supporting our people to continue extracting the benefits from our current initiatives particularly in the challenging marketplaces of Australia and the USA.

"I want to ensure the Company is well placed to leverage our assets and market positions to maximise returns as markets return to more normalised levels," Ross said.

Boral also announced that Mr Bryan Tisher will replace Mr Batstone in the position of Divisional Managing Director of Boral Building Products.

The biographical details of Mr Batstone and Mr Tisher are attached.

### For more information:

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## **BIOGRAPHICAL DETAILS**

### **ROSS BATSTONE**

Ross was appointed Divisional Managing Director of Boral Building Products in July 2010. The Boral Building Products Division includes Plasterboard (Australia and Asia), Clay & Concrete Products and Timber. Ross was previously Boral's Divisional General Manager, Plasterboard Australia from 1996 to 2000 before becoming Executive General Manager of the Plasterboard division from 2000 to 2010. He was Boral's Divisional General Manager, Roofing from 1991-1995. He was Chief Executive Montoro Resources Ltd from 1988-1990 and held various roles at Shell Company of Australia from 1970-1987. He holds Chemical Engineering and Commerce degrees from the University of Queensland.

### **BRYAN TISHER**

Bryan was appointed Executive General Manager, Timber in March 2007. Prior to this he was General Manager Corporate Development, a role which he held from 2000-2007, and General Manager, Strategic Planning for Boral's Construction Materials Group from 1998-1999. Prior to joining Boral he held a variety of positions at Rio Tinto (1985-1998) including roles in project finance, engineering design and construction in a variety of locations including Australia, USA, Africa and Indonesia. He holds a civil engineering degree (First Class Honours) from Monash University and an MBA from Harvard Business School.



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### **Summary of Key Contract Terms governing Ross Batstone's appointment as Chief Executive Officer of Boral Limited**

<b>Commencement Date:</b>	22 May 2012
<b>Term:</b>	Fixed until 1 July 2013; term may be extended by agreement. In addition, Boral may request Mr Batstone to step down, or take on a different role, prior to 1 July 2013, in which case Boral will continue to pay Mr Batstone his Fixed Annual Remuneration (referred to below) until 1 July 2013.
<b>Remuneration</b>	Mr Batstone's remuneration will consist of salary and other benefits referred to below as 'Fixed Annual Remuneration', and the short term incentive referred to below.
<b>Fixed Annual Remuneration:</b>	Fixed Annual Remuneration ( <b>FAR</b> ) will be \$1.5 million per annum. Mr Batstone's FAR level will not be subject to review.  FAR includes salary and superannuation. It may also include non-cash components such as a company motor vehicle and costs associated with that vehicle.
<b>Incentives:</b>	
<i>Short Term Incentive</i>	Mr Batstone is eligible for a short term incentive ( <b>STI</b> ) benefit in respect of FY2013. Mr Batstone's performance will be assessed against financial and non-financial targets set by the Board. For performance at target level, Mr Batstone would receive 100% of his FAR. For performance at stretch level, Mr Batstone would receive 140% of his FAR.
<i>Long Term Incentive</i>	Mr Batstone's remuneration as Chief Executive Officer will not include any grants under the Company's long term incentive plan ( <b>LTI Plan</b> ).

Mr Batstone has received grants under the LTI Plan, in the form of options and share acquisition rights (**SARs**), in prior years in respect of other roles held by Mr Batstone in the Company. Details of those prior grants are set out in Boral's Annual Reports. The Board has determined, in conjunction with Mr Batstone's appointment to the position of Chief Executive Officer, that no portion of the SARs granted to Mr Batstone in 2010 and 2011 under the LTI Plan which would otherwise have lapsed upon Mr Batstone's retirement will in fact lapse, but rather will remain on foot for their full term and will vest in due course if the applicable performance hurdles are met.

**Termination Provisions:**

In addition to accrued entitlements, on termination Mr Batstone will receive benefits as follows:

*Termination because of illness or death*

If Mr Batstone's employment is terminated by reason of illness or death prior to 1 July 2013, Mr Batstone will receive a separation payment equal to 9 months' FAR. Mr Batstone will not be entitled to any STI in respect of FY2013 (i.e. the STI is not pro rated).

*Termination by Boral for cause*

Boral may terminate Mr Batstone's contract with immediate effect for cause (for example, for serious misconduct or breach of duty). In those circumstances, Mr Batstone will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated).