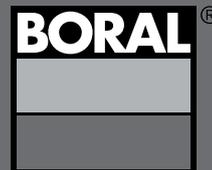


BORAL LIMITED ANNUAL GENERAL MEETING



2014

17 SEPTEMBER 2014

Dear Shareholder

It is my pleasure to invite you to attend the 2014 Annual General Meeting of Boral Limited.

The Meeting will be held in the City Recital Hall, Angel Place, Sydney on Thursday, 6 November 2014 at 10.30am. The map opposite shows the location of the City Recital Hall.

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 Tuesday, 4 November 2014 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 green 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 in the City Recital Hall, Angel Place, Sydney on Thursday, 6 November 2014 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 2014.

Item 2: Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2014.

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: Election and re-election of Directors

3.1 To elect Kathryn Fagg as a Director.

3.2 To re-elect Brian Clark as a Director.

3.3 To re-elect Paul Rayner as a Director.

Separate resolutions will be put to the Meeting in respect of each Director seeking election or re-election.

Richard Longes will retire as a Director 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 or 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 a member of the KMP,

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: Non-executive Directors' Fee Pool

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

"That the maximum aggregate amount available for payment by way of remuneration to all non-executive Directors per annum be increased by \$200,000 from \$1,550,000 to \$1,750,000."

Voting Exclusion Statement

The Company will disregard any votes cast on Item 5:

- by or on behalf of a Director or their 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 a member of the KMP,

unless the vote is cast as proxy for a person who is entitled to vote on Item 5, 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).

By order of the Board



Dominic Millgate
Company Secretary
Sydney
17 September 2014

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, 4 November 2014. 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, Item 4 or Item 5 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, Item 4 or Item 5, then by signing and returning 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 on Tuesday, 4 November 2014. 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 Thursday, 30 October 2014) 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 42 to 57 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 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.

Brian Clark and Paul Rayner were last elected as Directors at the 2011 Annual General Meeting. They therefore retire and, being eligible, offer themselves for re-election. As foreshadowed last year, Richard Longes will retire as a Director at the conclusion of this Annual General Meeting.

Since the 2013 Annual General Meeting, Kathryn Fagg has been appointed to the Board. In accordance with the Company's Constitution, Ms Fagg will cease to hold office following the 2014 Annual General Meeting and, being eligible, offers herself for election to the Board.

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

Item 3.1 Election of Kathryn Fagg



Kathryn Fagg, age 53

Kathryn Fagg joined the Boral Board in September 2014. Ms Fagg is a Board member of the Reserve Bank of Australia and a Director of Incitec Pivot Limited and Djerrirwarrh Investments Limited. She is also the Chair of the Melbourne Recital Centre and a Director of Breast Cancer Network Australia.

Ms Fagg is an experienced senior executive having worked across a range of industries in Australia and Asia, including logistics, manufacturing, resources, banking and professional services. She was previously President of Corporate Development with the Linfox Logistics Group and prior to that she held executive roles at BlueScope Steel and ANZ and consulted for McKinsey and Co. She holds a Master of Commerce in Organisation Behaviour from the University of New South Wales and a chemical engineering degree from the University of Queensland.

The Board (with Ms Fagg abstaining) recommends the election of Ms Fagg.

Item 3.2 Re-election of Dr Brian Clark



Brian Clark, age 65

Dr Brian Clark joined the Boral Board in May 2007. Dr Clark has experience as an executive and Director in Australasia, Japan, China, Italy, the UK and South Africa. He is currently a Director of AMP Limited and Chairman of AMP Capital Limited. In South Africa, he was President of the Council for Scientific and Industrial Research (CSIR) and CEO of Telkom SA. He also spent 10 years with the UK's Vodafone Group as CEO Vodafone Australia, CEO Vodafone Asia Pacific and Group Human Resources Director. He holds a doctorate in physics from the

University of Pretoria, South Africa and completed the Advanced Management Program at the Harvard Business School.

Dr Clark is Chairman of the Remuneration & Nomination Committee.

The Board (with Dr Clark abstaining) recommends the re-election of Dr Clark.

Item 3.3 Re-election of Mr Paul Rayner



Paul Rayner, age 60

Paul Rayner joined the Boral Board in 2008. Mr Rayner is the Chairman of Treasury Wine Estates Limited and a Director of Qantas Airways Limited and Centrica plc, a UK listed company. He brings to the Board extensive international experience in markets relevant to Boral including North America, Asia, as well as Australia. He has worked in the fields of Finance, Corporate Transactions and General Management in consumer goods, manufacturing and resources industries. His last role as an Executive was Finance Director of British American Tobacco plc, based in London from January 2002 to 2008. He holds an Economics Degree from the University of Tasmania and a Masters of Administration from Monash University.

Mr Rayner is Chairman of the Audit Committee.

The Board (with Mr Rayner abstaining) recommends the re-election of Mr Rayner.

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 FY2015 (**LTI Rights**); and
- as the deferred component of Mr Kane's earned short term incentive (**STI**) award for FY2014 (**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 that grant to Boral senior executives, the Company commissioned an independent valuer to determine the fair value of a right subject to the relative TSR hurdle as at 1 September 2014 (**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 615,957 LTI Rights. This number has been calculated by dividing Mr Kane's total fixed remuneration as at 1 September 2014 (being \$1,737,000) by the Fair Value determined by the independent valuer (being PricewaterhouseCoopers).

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 2017 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 2014. 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 2014 (**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 during the 60 trading days ending on the first day of the Performance Period, and
- for the closing share price, the volume weighted average share 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 cost of capital, which equates to a ROFE of 15%.

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 FY2015, 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 2017 in accordance with the following vesting schedule:

If the Company's ROFE performance for FY2017 is:	The percentage of the ROFE Component which will vest is:
Less than 11.0%	0%
11.0%	50%
Greater than 11.0% and less than 11.5%	Progressive pro rata vesting from 50% to 100% (i.e. on a straight line basis)
11.5% 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

As outlined in the Company's 2013 Remuneration Report, in 2013 the Board approved a number of changes to remuneration arrangements for senior executives, including the introduction of a deferred component for STI awards. The Company 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 new STI arrangements:

- 80% of Mr Kane's earned STI award for FY2014 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 2014 (subject to shareholder approval being obtained).

The number of STI Rights proposed to be granted to Mr Kane is 62,382.

This number has been calculated by dividing the deferred STI amount (i.e. 20% of the total STI awarded, being \$341,348) 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 FY2014 full year results (being \$5.4719).

The STI Rights will vest at the end of the two-year deferral period on 1 September 2016, 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.

- Since shareholder approval was obtained for Mr Kane's FY2014 LTI grant at the 2013 Annual General Meeting, 732,456 rights have been granted to Mr Kane in accordance with that 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.

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 – Non-executive Directors' Fee Pool

The ASX Listing Rules (Listing Rule 10.17) and the Company's Constitution require the maximum amount of non-executive Directors' remuneration to be determined by shareholders in a general meeting.

The current maximum aggregate remuneration of the non-executive Directors is \$1,550,000 per annum, that fee cap having been set by shareholders at the 2011 Annual General Meeting. Shareholder approval is sought to increase the maximum total amount available for payment by way of remuneration to non-executive Directors (**Fee Pool**) by \$200,000 to \$1,750,000 per annum.

Given that the total annual remuneration payable to non-executive Directors is approaching the fee cap, the proposal to increase the Fee Pool is aimed at the Company maintaining an appropriate fee buffer in advance of specific needs arising. The proposed increase would:

- provide flexibility to allow the Board to appoint further non-executive Directors at an appropriate time (recognising the importance of orderly succession planning and the desirability of having transition periods between outgoing and incoming directors); and
- ensure that the Company has the ability to pay competitive fees that are aligned with the market, and attract and retain high calibre non-executive directors.

No securities have been issued to any non-executive Director under ASX Listing Rules 10.11 or 10.14 with shareholder approval within the last three 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 this resolution.

Boral Limited

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