



Boral Limited Board Charter

Updated and adopted by Boral Limited Board 5 December 2019

Boral Limited
ABN 13 008 421 761

Boral Board Charter

1. Purpose

The purpose of this Charter is to set out the functions and responsibilities of the Board of Directors of Boral Limited (**Company**), adopting principles of good corporate governance and practices that accord with applicable laws.

2. Responsibilities of the Board and Relationship with Management

The Board's responsibilities include:

- Oversight of the Company, including its control and accountability systems;
- Approving Boral's statement of values and Code of Business Conduct;
- Demonstrating leadership and monitoring Boral's culture and adherence to the ethical standards set out in the Code of Business Conduct;
- Appointing, rewarding and determining the duration of the appointment of the Chief Executive and ratifying the appointments of senior executives including the Chief Financial Officer and the Company Secretary;
- Guiding the development of the Group's strategy, approving that strategy, and monitoring its implementation;
- Approving the Company's financial statements and annual budget and monitoring financial performance against the approved budget;
- Reviewing and approving the overall financial goals and performance objectives of the Company;
- Monitoring the performance of the Chief Executive and senior executives in achieving the Company's objectives; monitoring business performance and whether appropriate resources are being applied;
- Setting the risk appetite within which the Board expects management to operate;
- Reviewing, ratifying and monitoring systems of risk management (for both financial and non-financial risks) and internal control, codes of conduct and legal compliance (including in respect of matters of safety, health and the environment);
- Considering and making decisions about key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- Determining dividend policy and the amount, nature and timing of dividends to be paid;
- Monitoring Board composition, processes and performance;

- Monitoring the effectiveness of systems in place for keeping the market informed, including shareholder and community relations; and
- Satisfying itself that appropriate processes and procedures exist for relevant information to be reported by Management to the Board so that the Board can effectively oversee and challenge Management and hold it to account.

The Board utilises committees of the Board to assist it in carrying out some of these responsibilities.

Management is responsible for implementing the Company's strategy and objectives, and for carrying out the day-to-day management and control of the Company's affairs.

The Chief Executive and senior executives must operate in accordance with the Board's approved policies and delegated limits of authority, as described in the Company's management guidelines maintained by the Company Secretary and reviewed as appropriate from time to time, at a minimum every 3 years.

3. Board Size and Composition

The Directors will determine the size of the Board by reference to the Company's Constitution and applicable laws.

The Board will comprise a majority of independent non-executive Directors.

Collectively, Board members will have a broad range of financial and other skills, extensive experience and knowledge to guide and oversee the business of the Company.

The Board, assisted by the Remuneration & Nomination Committee, will determine and regularly review the composition of the Board and its committees, having regard to the optimum number, diversity and skill mix of Directors, subject to the limits imposed by the Constitution of the Company, the law and the terms served by existing non-executive Directors.

4. Chairman

The Board appoints the Chairman from the independent non-executive Directors. The Chairman should not be a former executive of the Company or the Chief Executive.

The Chairman leads the Board and is responsible for ensuring that the Board functions effectively. This means facilitating open and constructive discussion and relations between Board members as well as between the Board and management. The Chairman maintains an open and regular dialogue with the Chief Executive.

The Chairman represents the Company in the wider community, to shareholders and other stakeholders.

The Board will develop a plan for succession of the Chairman, and will periodically evaluate the plan.

The Board has determined that as a general rule, the Chairman must retire from that position at the expiration of 10 years in that role unless the Board decides otherwise.

5. Meetings and Access to Information

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors may request additional information on any matter.

The Board may also invite any senior executives or such other individuals as it deems appropriate to attend Board meetings and provide additional information as necessary so that Directors may be fully informed on any relevant matter.

The Board will meet from time to time without the presence of management.

6. Board Committees

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. The Board will determine the charters for these committees, which will outline the committee's authority, composition, functions and responsibilities.

The Board has established an Audit & Risk Committee, Remuneration & Nomination Committee and a Health, Safety & Environment Committee. These standing committees review matters on behalf of the Board and, as determined by the relevant Charter:

- refer matters to the Board for decision, with a recommendation from the committee; or
- determine matters (where the committee acts with delegated authority), which the committee then reports to the Board.

The Board appoints the Chairman of each committee. The Chairman of each committee reports on any matter of substance at the next appropriate Board meeting.

All non-executive Directors are entitled to attend committee meetings and to receive committee Board papers where there is no conflict of interest.

The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis. The powers delegated to ad hoc committees are set out in the relevant Board resolutions.

7. Director Independence

The Board determines the criteria for assessing the independence of the non-executive Directors, having regard to the relationships affecting independent status as described in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**), and such materiality thresholds as the Board may adopt from time to time.

In general, for a non-executive Director to be assessed as independent the director must have no material business or other relationship that could materially interfere with, or could be perceived to interfere with, the ability of the Director to exercise independent judgement and act in the best interests of the Company.

If a Director is or becomes aware of any information, facts or circumstances which will or may affect that director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and the Chairman.

The Board will assess the independence of each Director in light of any disclosures made to ensure that the criteria for determining the independence of non-executive Directors have been met.

8. Appointment of Directors

The Company's Constitution and the ASX Listing Rules govern the election and re-election of directors. The Remuneration & Nomination Committee is responsible for making recommendations to the Board relating to the election and re-election of Directors.

The Board recognises that succession planning, and the progressive and orderly renewal of its Board membership, are an important part of the Board's governance process.

The Board, with the assistance of the Remuneration & Nomination Committee, together with external consultants where appropriate, will identify and assess the necessary and desirable competencies of potential candidates. Candidates identified as suitable will be interviewed by several Directors and appropriate background checks are carried out. Confirmation will be sought from prospective directors that they will have sufficient time to fulfil their duties as a Director.

Non-executive Directors are engaged through a letter of appointment.

Directors participate in an induction programme on appointment and in continuing education and training arranged for them from time to time.

Non-executive Directors who are required to retire by rotation in accordance with the Constitution will take into account the views of the other non-executive Directors when deciding whether to stand for re-election.

The Board does not regard nominations for re-election of Directors as being automatic but rather being based on the individual performance of Directors and the needs of the Company. Before the business to be conducted at the Annual General Meeting is finalised, the Board discusses the performance of Directors standing for re-election in the absence of those Directors. Each Director's suitability for re-election is considered on a case-by-case basis, having regard to individual performance. Tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

The Chief Executive, who is also a Director, is not subject to retirement by rotation and is not to be taken into account in determining the retirement by rotation of Directors.

9. Board Evaluation

The Board will conduct performance evaluations of the Board as a whole, its committees, the Chairman, individual Directors, and the governance processes which support Board work.

All evaluations will have regard to the collective nature of Board work and the operation of the governance processes established in this document. The evaluations will be conducted periodically as the Board considers appropriate.

The Remuneration & Nomination Committee will conduct evaluations of the performance of Directors retiring and seeking re-election to the Board, and will make recommendations to the Board. The Board will use the results of these evaluations in considering the endorsement of Directors for re-election by shareholders.

10. Company Secretary

The Company Secretary is accountable to the Board and his or her appointment and removal are matters for the Board as a whole.

The Company Secretary advises the Chairman and, through the Chairman, the Board and individual Directors on all matters of governance process.

The Company Secretary's advice and services are available to all Directors and Board Committees.

The Company Secretary will retain independent advisory services at the request of the Board or Board Committees.

11. Independent Advice

The Board collectively, and each Director individually, has the right to seek independent professional advice on any matter connected with the discharge of his or her responsibilities, subject to the approval of the Chairman.

12. Review of Charter

Board and Committee Charters will be reviewed as required, with a view to ensuring they are appropriate to meet the Company's needs and developing best practice standards by reference to the ASX Principles.