

Annual General Meeting

19 September 2019

Dear Shareholder

It is my pleasure to invite you to attend the 2019 Annual General Meeting (**AGM**) of Boral Limited.

The meeting will be held at the Civic Pavilion, The Concourse, Chatswood on Wednesday, 6 November 2019 at 10.30am. The map opposite shows the location of The Concourse.

We also invite you to join the Board and senior management of Boral for refreshments following the meeting. This is an opportunity for you to learn more about Boral's operations from the executives who are running Boral's businesses.

I look forward to welcoming those shareholders who can attend.

The Notice of Meeting that follows sets out the business to be dealt with at the meeting.

If you are able to attend, 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 Monday, 4 November 2019 to be valid for the meeting.

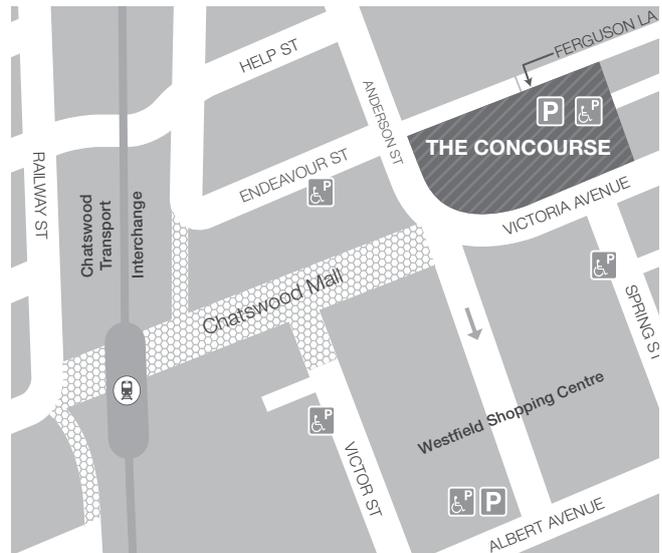
The AGM will be webcast live on our website at www.boral.com.

The Chairman's Address and the CEO & Managing Director's Address to the AGM will cover Boral's financial performance and current priorities, and the strategic direction of the Company. Copies of the Addresses will be placed on Boral's website on the day of the meeting.

Yours sincerely



Kathryn Fagg
Chairman



Notice of Meeting

NOTICE IS GIVEN THAT THE ANNUAL GENERAL MEETING (AGM) OF SHAREHOLDERS OF BORAL LIMITED WILL BE HELD AT THE CIVIC PAVILION, THE CONCOURSE, 409 VICTORIA AVENUE, CHATSWOOD NSW ON WEDNESDAY, 6 NOVEMBER 2019 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 2019.

Item 2: Re-election of Directors

2.1 To re-elect Eileen Doyle as a Director

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

"That Eileen Doyle, 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."

2.2 To re-elect Karen Moses as a Director

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

"That Karen Moses, 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."

Item 3: 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 2019."

Voting Exclusion Statement

The Company will disregard any votes cast on Item 3:

- by or on behalf of a member of the key management personnel of the Company (**KMP**) named in the 2019 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 3, 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 "How to vote" section).

Item 4: Award of LTI 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 on Item 4:

- cast in favour of the resolution by or on behalf of Mr Kane and his associates, regardless of the capacity in which the vote is cast; or
- cast 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 "How to vote" section).

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.

By order of the Board



Dominic Millgate
Company Secretary
Sydney, 19 September 2019

How to Vote

Voting at the Meeting

- The Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7.00pm (Australian Eastern Daylight Time) on Monday, 4 November 2019.
- Accordingly, transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and vote at the AGM.

Appointing a proxy

- A member entitled to attend and vote at the AGM has the right to appoint a proxy. The proxy of a member does not need to be a member of the Company.
- 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.
- 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 3 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 3 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.
- The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

Submitting your proxy form

- Details for completion and lodgment of proxies are outlined on the Proxy Form. The Proxy Form must be received by the Company at least 48 hours prior to the AGM – that is, no later than 10.30am (Australian Eastern Daylight Time) on Monday, 4 November 2019. The Proxy Form may be sent:
 - By post to:
Locked Bag A14, Sydney South NSW 1235
 - By hand delivery to:
c/- Link Market Services Limited, Level 12,
680 George Street, Sydney NSW 2000
 - By fax to:
Link Market Services Limited on +61 2 9287 0309
 - Lodged online at:
www.linkmarketservices.com.au
(go to "Voting" and follow the prompts)

Appointing a corporate representative

- A member of the Company who is a body corporate and who is entitled to attend and vote at the AGM, or a proxy who is a body corporate and is appointed by a member of the Company entitled to attend and vote at the AGM, may appoint a person to act as their representative at the AGM by providing that person with:
 - 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
 - a copy of the resolution, certified by a secretary or a director of the body corporate, appointing the person as a representative.

Lodging a question

- 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 AGM (that is, by Wednesday, 30 October 2019) to allow time to collate questions and prepare answers. During the meeting, the Chairman or the CEO & Managing Director will seek to address as many of the more frequently asked questions as possible.

Explanatory Notes

ITEM 1 – FINANCIAL REPORTS

The Financial Report, Directors' Report and Auditor's Report are contained in the Company's Annual Report. A copy of the Annual Report can be found on the Company's website at www.boral.com.

While the *Corporations Act 2001* (Cth) (**Corporations Act**) requires the Financial Report, the Directors' Report and the Auditor's Report of the Company for the year to be laid before the AGM, neither the Corporations Act nor the Company's Constitution require shareholders to vote on, approve or adopt those reports.

Shareholders will, however, have a reasonable opportunity at the AGM to ask questions about those reports and on the management of the Company. 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 – 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 AGM and three years following that Director's last election. Retiring Directors are eligible for re-election.

Eileen Doyle and Karen Moses were last elected as Directors at the 2016 AGM. They therefore retire and, being eligible, offer themselves for re-election.

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 follow. The Board considers each of these Directors to be independent.

Item 2.1 Re-election of Dr Eileen Doyle



Eileen Doyle, age 64

Dr Eileen Doyle joined the Boral Board in March 2010. Dr Doyle is a Director of Oil Search Limited. She was previously the Deputy Chairman of CSIRO, a Director of GPT Group, Bradken Limited, OneSteel Limited and Ross Human Directions Limited, and Chairman of Port Waratah Coal Services Limited.

Her extensive executive and non-executive experience includes manufacturing and marketing in building and industrial materials throughout Australasia, Asia and North America.

She holds a PhD in Applied Statistics from the University of Newcastle, is a Fulbright Scholar and has an Executive MBA from Columbia University Business School. She is a Fellow of the Australian Institute of Company Directors.

Dr Doyle is Chairman of the Health, Safety & Environment Committee and a member of the Audit & Risk Committee.

The Board has reviewed the performance of Dr Doyle and believes that she continues to make a valuable contribution to the Board, noting her extensive business experience in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export.

The Board believes Dr Doyle's substantial expertise and experience with Boral and other major companies (both in Australia and overseas) enhances the Board's ability to oversee Boral's performance and governance, particularly in relation to health, safety and environmental management, including climate related risks and opportunities, and audit and risk management more broadly. Dr Doyle's technical and organisational expertise is particularly valuable in her role as Chairman of the Board's Health, Safety & Environment Committee.

Accordingly, the Board (with Dr Doyle abstaining) recommends the re-election of Dr Doyle.

Item 2.2 Re-election of Karen Moses



Karen Moses, age 61

Karen Moses joined the Boral Board in March 2016. Ms Moses is a Director of Orica Limited, Charter Hall Group, Snowy Hydro and Sydney Symphony Limited, and a Fellow of the Senate of Sydney University.

Ms Moses was previously a Director of SAS Trustee Corporation, Australia Pacific LNG Pty Limited, Origin Energy Limited, Contact Energy Limited, Energia Andina S.A., Australian Energy Market Operator Ltd, VENCORP, Energy and Water Ombudsman (Victoria) Limited and Sydney Dance Company.

Ms Moses has over 30 years' experience in the energy industry, spanning oil, gas, electricity and coal commodities and upstream production, supply and downstream marketing operations. This experience has been gained both within Australia and overseas. She holds a Bachelor of Economics and a Diploma of Education from the University of Sydney.

Ms Moses is a member of the Audit & Risk Committee and a member of the Health, Safety & Environment Committee.

The Board has reviewed the performance of Ms Moses and believes that Ms Moses continues to provide a valuable contribution to the Board, noting her extensive business experience and expertise in the energy sector, including in managing operations in a highly regulated industry and rapidly changing environment.

The Board believes Ms Moses' substantial experience both in Australia and overseas with responsibilities spanning corporate strategy, finance, safety, environment, risk, compliance and insurance, further enhances the Board's ability to oversee Boral's performance and governance. Ms Moses' insights, knowledge and experience are particularly valuable in her role as a member of the Board's Health, Safety & Environment Committee and a member of its Audit & Risk Committee.

Accordingly, the Board (with Ms Moses abstaining) recommends the re-election of Ms Moses.

ITEM 3 – REMUNERATION REPORT

The Remuneration Report is part of the Directors' Report for the year and is set out on pages 61 to 82 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 Corporations 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.

Directors' Recommendation

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

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 FY2020 (**LTI 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 grant 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.

Overview

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 2022 and there will be no re-testing of either performance hurdle.

The Board believes that a relative TSR hurdle measured against constituents of the S&P/ASX 100 Index provides alignment between comparative shareholder returns and reward for Mr Kane, and provides reasonable alignment with diversified portfolio investors.

The ROFE performance hurdle is intended to reward achievement linked to improving the Company's ROFE performance through the cycle.

What is the CEO's proposed LTI for FY2020?

The Board is proposing that Mr Kane be granted LTI Rights with a face value of \$4,204,286, being 220% of his Base Cash Salary (BCS) as at 1 September 2019.

Importantly, the actual value (if any) that Mr Kane may receive from this LTI award cannot be determined until after the end of the three year performance period, because it is dependent on whether the performance hurdles are achieved and the share price at the time of vesting.

The formula used to calculate the number of LTI Rights is set out below.

$$N = \frac{(220\% \times BCS)}{\text{Face value of a Boral Share}}$$

N is the number of LTI Rights to be allocated to Mr Kane. If N is a fractional number, it will be rounded up to the nearest whole number.

220% is the percentage of the CEO's annual BCS determined by the Board to be applicable for the CEO's LTI for FY2020.

BCS or Base Cash Salary of the CEO is the equivalent of \$1,911,039 at 1 September 2019, converted from US\$1,365,437 based on the exchange rate A\$/US\$, averaged over the 12 month period to 30 June 2019, being 0.7145.

Face value of a Boral share is the volume weighted average price (VWAP) of Boral shares on the ASX during the five day trading period up to but not including 1 September 2019, being \$4.1416.

Based on this formula, the number of LTI Rights to be allocated is 1,015,136.

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 2019. 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 2019 (**Performance Period**).

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

- for the opening share price, the VWAP during the 60 trading days ending on the first day of the Performance Period; and
- for the closing share price, the VWAP 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% |
| Is between the 50th percentile and the 75th percentile of the S&P/ASX 100 | 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) (before significant items) as a percentage of average Funds Employed (where Funds Employed is the sum of net assets and net debt).

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 FY2020, the percentage of the ROFE Component that may vest will be determined by the Board based on ROFE performance for the financial year ending 30 June 2022 in accordance with the following vesting schedule:

| If the Company's ROFE performance for FY2022 is: | The percentage of the ROFE Component which will vest is: |
|--|--|
| Below WACC | Nil |
| At WACC (Target) | 50% |
| Between WACC and WACC plus 2.0% | Vesting on a straight-line basis |
| At or above WACC plus 2.0% (Stretch) | 100% |

Vesting will occur on a straight-line basis between Target and Stretch.

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).

This vesting range emphasises performance above WACC.

As joint ventures (JVs) remain an attractive business model for Boral, the share of EBIT (before significant items) from our JVs (rather than post-tax JV earnings) will be included in the pre-tax ROFE calculation, consistent with the treatment for Boral's wholly owned businesses. WACC will be calculated by Boral on a pre-tax basis, providing a direct comparison with the pre-tax ROFE measure, using the average annual WACC over the three year period from 1 July 2019 (for the FY2020 grant). The calculation will be overseen by the Audit & Risk Committee supporting the Remuneration & Nomination Committee and the Board, and will be reviewed and validated by an independent external advisor. Previous ROFE targets and calculations for grants prior to FY2019 are not affected.

The calculated WACC for each year and the Company's ROFE performance will be disclosed retrospectively in Boral's Remuneration Report.

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 delivered 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 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 to Mr Kane immediately after the AGM 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 only if the performance hurdles which would otherwise have applied are satisfied.
- No amount will be payable by Mr Kane for LTI Rights as they form part of his total remuneration package.
- Shareholder approval was obtained for Mr Kane's FY2019 LTI grant of 549,487 rights and FY2018 deferred STI grant of 39,977 rights at the 2018 AGM. 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.

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AGM DETAILS

**The Annual General Meeting of Boral Limited
will be held at the Civic Pavilion, The Concourse,
Chatswood, NSW on Wednesday, 6 November 2019
at 10.30am.**

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