

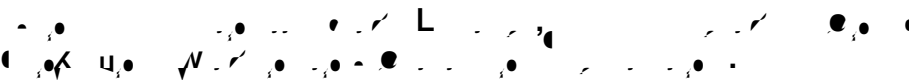
## BORAL LIMITED

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Dear Shareholder

It is my pleasure to invite you to attend the 2010 Annual General Meeting of Boral Limited. The Meeting will be held in the City Recital Hall, Angel Place, Sydney on Thursday, 4 November 2010 at 10:30am.

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



The plan opposite shows the location of the City Recital Hall.

Shareholders are encouraged to arrive before the starting time of 10:30am to avoid any last minute congestion.

If you do not plan to attend the AGM, 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 on the back of it. Proxy Forms must be received by 10:30am on Tuesday, 2 November 2010 to be valid for the Meeting.

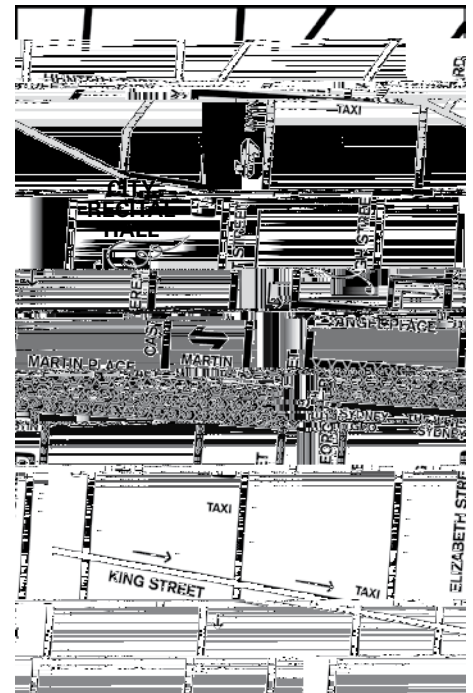
The full AGM will be webcast live on the internet at [www.boral.com.au](http://www.boral.com.au).

The Chairman's Address and the Chief Executive's Address to the AGM will be placed on Boral's website on the day of the Meeting.

Yours sincerely

A handwritten signature in black ink that reads "Bob Every". The signature is written in a cursive, flowing style.

Chairman



LOCATION OF ANNUAL GENERAL MEETING

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# NOTICE OF MEETING

To consider the financial reports, the Directors' Report and the Auditor's Report for the year ended 30 June 2010.

- 2.1 To re-elect Bob Every as a Director.
- 2.2 To re-elect Brian Clark as a Director.
- 2.3 To re-elect Richard Longes as a Director.
- 2.4 To elect Eileen Doyle as a Director.
- 2.5 To elect John Marlay as a Director.
- 2.6 To elect Catherine Brenner as a Director.

To adopt the Remuneration Report for the year ended 30 June 2010.

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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 is 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 its 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 *2001*, authorising the person as a representative, or
  - (b) a copy of the resolution, certified by the secretary or a director of the body corporate, appointing a representative.

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Richard Longes joined the Boral Board in 2004. He is Chairman of Austbrokers Holdings Limited and a Director of Metcash Limited and Investec Bank (Australia) Limited. He was previously an executive of Investec Bank, a principal of Wentworth Associates, the corporate advisory and private equity group, and a partner of Freehills, a leading law firm. He has arts and law degrees from the University of Sydney and an MBA from the University of New South Wales. Mr Longes is a member of the Board's Audit Committee.

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

The Remuneration Report is part of the Directors' Report for the year and is set out on pages 45 to 60 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, the Chief Executive and other key management personnel.

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution, as required by the **2001**.

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.

While there is no legal requirement to abstain from voting, Boral believes it is appropriate that neither the Directors, the named key management personnel nor their associates should vote on this advisory resolution, except as directed by any proxies.

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

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Under his employment agreement with Boral, the remuneration of Boral's Chief Executive, Mark Selway, consists of the following components:

- fixed remuneration;
- short-term incentive payable in cash, and
- long-term incentive (LTI) to be awarded in the form of options or rights to acquire ordinary shares in Boral if specific performance hurdles are met.

The annual awards (LTI) of LTI for 2010, 2011 and 2012 are to be in the form of rights to fully paid ordinary shares in the Company under the Boral Long Term Incentive Plan (LTI Plan).

The Board believes that long-term incentives form a key part of remuneration for senior management and assist to align the interests of participating executives with the longer term interests of shareholders.

This resolution is being put to shareholders to seek approval for the Grant to be made to Mr Selway each year for the next three years. As Mr Selway is a Director of the Company, shareholder approval is required under Chapter 10 of the ASX Listing Rules.

It is proposed that Mr Selway be granted rights with a value of 100% of his total fixed annual remuneration, provided that in respect of the 2010 financial year, Mr Selway will receive rights with a value equivalent to one-half of his total fixed annual remuneration (that is, one-half of \$1.75 million), to reflect the fact that he was appointed to the position of Chief Executive on 1 January 2010.

Mr Selway's total fixed annual remuneration is reviewed annually. In respect of the 2011 and 2012 financial years, Mr Selway will receive rights with a value equivalent to 100% of his fixed annual remuneration at the end of the relevant financial year. No amount will be payable by Mr Selway for the rights.

The terms of each of the annual Grants will be consistent with the terms of the LTI Plan. The number of rights to be granted is not known at this stage but will be determined by dividing the salary at the relevant time by the Boral share price at the time of the Grants in 2010, 2011 and 2012 discounted for the probability that the performance hurdle will not be met. This is explained further below.

Subject to the terms of the LTI Plan, the vesting period which must elapse before shares may be issued or transferred to Mr Selway is three years from the applicable grant date of the 2010, 2011 and 2012 Grants. It is intended that the grant date will be in November of each year. The last grant will in any event be within three years of the date of this Annual General Meeting.

The shares will vest (that is, the shares will be issued or become transferable to Mr Selway) to the extent that the applicable performance hurdle outlined below is satisfied. Subject to achievement of the hurdle, the rights may be converted (on a one-for-one basis) to fully paid ordinary shares in the Company. Those shares may be purchased on-market or issued by the Company. No amount will be payable by Mr Selway for those shares.

The performance hurdle for the vesting of the rights (and allocation of shares) will be measured by comparing the performance of the Company with the performance of other companies in which shareholders may potentially invest. Vesting will depend on the Total Shareholder Return (TSR) of the Company relative to the TSRs of the companies in the S&P/ASX 100 Index as at the commencement of the vesting period.

The period over which the TSR of the Company is compared to the TSRs of companies in the S&P/ASX 100 commences on the first day of the vesting period and is measured at three test dates, namely the third, fifth and seventh anniversaries of the first day of the vesting period for the relevant Grants. For the purposes of calculating TSR, share prices will be determined by reference to the volume weighted average share price during the 60 trading days prior to the relevant test date.

For each of the Grants the percentage of rights which may vest is based on a sliding scale as follows:

<b>IF AT ANY OF THE THREE TEST DATES REFERRED TO ABOVE, THE TSR OF THE COMPANY:</b>	<b>THE PERCENTAGE OF RIGHTS WHICH WILL VEST IS:</b>
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	50%, plus 2% for every one percentile increase above the 50th percentile
Reaches or exceeds the 75th percentile of the TSRs of the S&P/ASX 100	100%

Under the LTI Plan, if a takeover bid is made for Boral or there is a scheme of arrangement involving Boral, the Board may, in its discretion, determine that a number of the rights will vest, having regard to all relevant circumstances (including Mr Selway's performance), even if the vesting period has not yet expired.

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To give shareholders an indication of the number of rights that would be awarded to Mr Selway in respect of the 2010 financial year were the award approved, the Company has commissioned an independent valuer to assess the indicative fair value of each right. The indicative value has been assessed in accordance with Accounting Standard AASB 2 using a Monte Carlo simulation.

These values are indicative only, as the actual valuation will depend on factors including the Company's share price as at the commencement of the vesting period. If the award of the rights is approved, the actual number of rights granted as part of Mr Selway's remuneration will be disclosed each year in the Company's Annual Report.

The valuations set out below are based on the following assumptions:

- a share price of \$4.50, \$4.75 or \$5.00;
- an exercise price of zero for the rights;
- the maximum life of zero of exercise price zero of