



Company	Boral Ltd
Code	BLD
Meeting	AGM
Date	6 November 2018
Venue	Civic Pavilion, The Concourse, Chatswood Sydney
Monitor	Allan Goldin assisted by Ian Anderson

Number attendees at meeting	132 shareholders plus 40 visitors
Number of holdings represented by ASA	333
Value of proxies	\$10m
Number of shares represented by ASA	2.087M (equivalent to 17th largest holder in Top 20)
Market capitalisation	\$5.74B
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Kathryn Fagg, NED John Marlay and Company Secretary Dominic Millgate

In 3+ hours we learned that Boral has a well thought out approach on all possible environmental concerns but profit will still be down next year.

After introducing directors and senior executives, the chair, Kathryn Fagg, turned first to Boral's improved safety record and then to the financial results which were as shown in the Annual Report.

CEO Mike Kane spent some time reviewing progress on Boral's transformation strategy and discussed divisional results in more detail. Softer market conditions and unplanned business disruptions have seen lower earnings in first quarter trading, he re-affirmed 2020 financial year (FY20) guidance of net profit after tax (NPAT) to be 5-15% lower relative to FY19. He concluded with a review of Boral's innovation and sustainability initiatives including the important contribution their fly ash business in the USA makes to carbon reduction.

Questions went for more than an hour ranging from agreement that there will be no further integration cost arising from Headwater, to climate change measures, potential destruction of Koala breeding grounds, trial producing bio diesel, the perception effect on the problems plaguing multi rise buildings, use of recycled materials in asphalt (awaiting local councils approval to start) and a good explanation on how Boral is leading the fight to reduce the carbon impact in producing

concrete. The chair referred many questions to senior executives, a procedure which ASA applauds, who provided meaningful well thought out responses. Both chair and CEO constantly said the main objective was for the business, measured by return on funds employed (ROFE), to exceed the cost of Capital. ASA questioned when ROFE from US operations was expected to achieve this target but neither would give a specific timeline. ASA queried the early announcement of Mr Kane's projected retirement in 2-3 years, the chairman advised this was to allay concerns at the time of the Headwaters acquisition that Mr Kane might retire before the integration was properly bedded down. In response to a further ASA query, the chairman of the Audit & Risk committee replied that the company would review the need to put the audit, which he called a beauty parade to market in the medium future.

Voting on the formal business was mixed. Re-election of Eileen Doyle passed with 98.87% majority but Karen Moses suffered a sizeable protest with over 31% voting against her. This was attributed to treatment of historical accounting issues while she was CFO of Origin Energy. The remuneration report also only received 81.32% support which was interpreted as a protest against the financial results by five fund managers. The award of rights to Mr Kane was supported by a 91% vote. ASA voted undirected proxies in favour of all motions.