



Media Release

16 September 2009

Mark Selway appointed as Boral's next CEO

The Chairman of Boral Limited, Dr Ken Moss, announced today that the Board has appointed Mr Mark Selway as the next Chief Executive Officer of Boral Limited, effective from 1 January 2010.

Dr Moss said Mr Selway would replace Mr Rod Pearse, who announced earlier this year that he would be retiring at the end of December 2009 after 10 years at the head of Boral.

Dr Moss said Mr Selway has had an impressive career in the industrials sector with broad international experience and has a strong track record of world-class manufacturing excellence, and growth through innovation and geographic expansion.

Mr Selway, who is Australian, has been the Chief Executive of the Weir Group PLC, a Scottish-headquartered, publicly listed engineering business, since 2001. Since Mr Selway joined Weir, the business has been transformed into a highly focused industry leader in the design, supply and service of engineered equipment for the oil & gas, mining and power & industrial sectors.

"After a comprehensive international search, the Board is delighted to appoint Mark to the position of CEO as we feel his experience, track record and capabilities are ideally suited to Boral's future development," Dr Moss said.

"Boral remains a fundamentally strong company, and is well-positioned to benefit from the inevitable recovery from the current global economic downturn. Mark has proven leadership capabilities in competitive environments and a proven ability to deliver against both performance and growth imperatives.

"In his new role, Mark will be supported by a committed management team at Boral. He will work with Rod Pearse and the rest of the team to ensure a smooth and seamless transition.

"On behalf of the Board, I want to thank the internal candidates who were strong contenders for the position. The calibre of the internal candidates considered by the Board demonstrates how fortunate we are at Boral to have such a strong executive team.

"I also want to take this opportunity to once again thank Rod for his outstanding contribution to Boral over the past decade and for his extraordinary commitment to the Group, its employees and shareholders", said Dr Moss.

Mr Selway brings with him eight years of CEO experience at the Weir Group, which has an annual turnover of around A\$3 billion and employs over 9,000 employees in 42 countries. Mr Selway has worked in the UK for more than 13 years and prior to that, was based in the USA for seven years in the North American automotive market.

Mr Selway said he was pleased to have been appointed to the position of Chief Executive Officer of Boral, a major Australian company with a proud history and strong market positions.

“I am excited about the prospect of leading Boral. These are tough markets and the macroeconomic environment is challenging, but Boral is an outstanding business with the people, products and financial strength to weather current difficulties and strengthen its position in its chosen markets”, he said.

“I look forward to working with the Board and the Boral team to ensure we strengthen Boral’s position, and continue to deliver strong returns for Boral’s investors.”

A summary of the key terms of Mr Selway’s employment agreement with Boral is attached and further biographical details for Mr Selway are set out below.

MARK SELWAY - BIOGRAPHICAL DETAILS

Mark Selway is 50 years old. He joined the Weir Group as Chief Executive in June 2001.

Born in Australia, Mark’s early career was spent in the automotive sector with an engineering company which was acquired by Britax International Plc. At the age of 28, he was appointed International Marketing Director of Britax, with responsibility for opening up markets and developing leading edge products to enter the Japanese, North American, Korean and Mexican automotive industries.

In 1989 he relocated to Michigan, USA, to manage a greenfield site for Britax. After seven years in the USA, Mark relocated to the United Kingdom and joined the Board of Britax with responsibility for its automotive components division, the world’s leading supplier of lighting and rear vision systems to the global automotive industry. Under his leadership the division prospered through acquisitions, geographic expansion and market share gains driven by a programme of leading edge innovations and world-class manufacturing.

In 2000 Mark led the sale of the division to its largest European competitor and in doing so, joined the Board of Schefenacker AG where he was responsible for the combined rear vision system operations with turnover of A\$600m, and employing 6,000 personnel in 15 countries.

In 2001, Mark was appointed Chief Executive of Weir Group Plc, a Scottish-headquartered business which specialises in the design, supply and service of engineered equipment for the oil & gas, mining and power and industrial sectors. In 2008 the Weir Group’s revenue was approximately A\$3bn, representing growth of 34%, with profits increasing by 58% to A\$370m. The Weir Group employs 9,000 people in 42 countries.

In June 2008, Mark was appointed Non Executive Director of Lend Lease Corp Ltd where he is a member of the Personnel & Organisation and Sustainability Committees. In July 2009 he was awarded an honorary doctorate by the University of the West of Scotland in recognition of his contribution to Scottish engineering and his distinguished career.

Media inquiries:

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Boral Limited

Summary of the Key Terms of the Employment Agreement appointing Mark Selway as Chief Executive Officer

Commencement Date:	1 January 2010
Term:	Ongoing (ie no fixed term)
Remuneration	Mr Selway's remuneration will consist of salary and other benefits referred to below as 'Total Fixed Remuneration', and the short term and long term incentives referred to below.
Total Fixed Remuneration (TFR):	<p>Initial TFR will be \$1.75 million per annum. The first review of TFR will take place in September 2010 and annually thereafter.</p> <p>TFR includes salary and superannuation. It may also include non-cash components such as a company motor vehicle and costs associated with that vehicle.</p>
Incentives:	Under his Employment Agreement, Mr Selway is entitled to incentive awards calculated by reference to his TFR.
<i>Short Term Incentive</i>	The amount of the short term incentive (STI) payment in any year will be determined by the Board by assessment of Mr Selway's performance against financial and non-financial targets set by the Board at the start of each financial year, provided that in respect of the six month period from the Commencement Date to 30 June 2010, the targets will be set by the Board shortly after the Commencement Date.

For performance outcomes at target level, Mr Selway would receive 100% of his TFR. For performance outcomes at stretch level, Mr Selway would receive 140% of his TFR.

Long Term Incentive

Mr Selway will be entitled to the following long term incentives (**LTI**):

- **Initial Grant** - Mr Selway will be entitled to an initial grant of share acquisition rights as consideration for his agreeing to assume the role of Chief Executive Officer of Boral. Shareholders will be asked to approve the Initial Grant at the 2009 Annual General Meeting, and the terms of grant will be set out in the Notice of Meeting. Subject to receiving shareholder approval, the Initial Grant will be made on or around the Commencement Date; and
- **Annual Grants** - Mr Selway will be entitled to an annual LTI grant in the form of options and/or share acquisition rights for each of the 2009/10, 2010/11 and 2011/12 financial years. The Annual Grants will also be subject to receipt of any required or appropriate shareholder approvals, with the first Annual Grant expected to be made in November 2010.

Each of the LTI grants (including the Initial Grant) will have an aggregate fair market value equivalent to 100% of TFR. However, the Annual Grant for the 2009/10 financial year will be pro-rated to reflect the fact that Mr Selway will have been employed for six months only of that financial year.

The number of options and/or share acquisition rights to be awarded will be determined at the time of grant by dividing Mr Selway's TFR (being his TFR at the end of the financial year to which the LTI award relates) by the fair market value per option or share acquisition right (as applicable).

Vesting of the LTI instruments will be subject to a performance hurdle based on Boral's Total Shareholder Return performance relative to companies within the S&P/ASX 100 over a period of three to seven years – that is, there will be a minimum vesting period of three years with a maximum life of seven years. Further details of the performance hurdle are set out below.

For financial years beyond 2011/12, Mr Selway will be eligible to participate in Boral's LTI program on terms to be determined by the Board.

Performance hurdles for LTI Grants

Exercise of the options and vesting of the share acquisition rights will be subject to performance hurdles to be set by reference to the Total Shareholder Return (TSR) of the Company relative to the TSRs of companies comprising the S&P/ASX 100.

The TSR of the Company will be compared with the TSRs of companies in the S&P/ASX 100 over three measurement periods – namely, three years, five years and seven years from the relevant grant date (or such other date as the Board may determine for the purpose of the relevant grant).

Relative TSR will be tested at the end of each of these three measurement periods, using the volume weighted average share price during the 60 trading days prior to the test date to determine start and end date share prices.

The percentage of options capable of exercise or share acquisition rights which may vest (as the case may be) is based on a sliding scale as follows:

<i>If at any of the three test dates referred to above, the Company's TSR ranking compared to the TSRs of companies comprising the S&P/ASX 100:</i>	<i>The percentage of options which become exercisable / share acquisition rights which will vest is:</i>
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Does not reach the 50 th percentile	0%
Reaches the 50 th percentile	50%
Exceeds the 50 th percentile but does not reach the 75 th percentile	50%, plus 2% for every one percentile increase above the 50 th percentile
Reaches or exceeds the 75 th percentile	100%

Mr Selway's participation in the STI and LTI Plans is subject to the rules of each Plan.

Termination Provisions:

In addition to accrued entitlements, on termination Mr Selway will receive benefits as follows:

Resignation by Mr Selway

Mr Selway may terminate his employment at any time by giving Boral 6 months' written notice. Boral may elect to make a payment in lieu of the notice period.

In those circumstances Mr Selway will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated). Any LTI that has been granted but which remains unvested will lapse unless the Board determines otherwise.

Termination without cause on Mr Selway's part

Boral may terminate Mr Selway's employment at any time by giving Mr Selway 12 months' written notice (or 3 months' written notice in the case of illness). Boral may elect to make a payment in lieu of the notice period.

In those circumstances (or if Mr Selway's employment is terminated by reason of death or other substantial diminution of his responsibilities), Mr Selway will receive a separation payment (which will include any amount paid in lieu of notice) equal to 12 months' TFR. Mr Selway will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated) unless the Board determines otherwise. Any LTI that has been granted but which remains unvested will continue beyond termination and will vest in due course if the performance hurdles are achieved, unless the Board determines otherwise.

Termination by Boral for cause (without Notice)

Boral may terminate Mr Selway's contract with immediate effect for cause (for example, for serious misconduct or breach of duty).

In those circumstances Mr Selway will not be entitled to any STI in respect of the year of termination (i.e. the STI is not pro rated). Any LTI that has been granted but which remains unvested will lapse unless the Board determines otherwise.

Boral has also agreed to pay the reasonable expenses of Mr Selway involved in relocating from his current base in Glasgow to Sydney to take up the role of Chief Executive Officer of Boral.