

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the fourth supplementary target's statement (**Fourth Supplementary Target's Statement**) issued by Boral Limited ABN 13 008 421 761 (**Boral**) in response to the off-market takeover bid made by Network Investment Holdings Pty Limited ACN 078 448 512, a wholly owned subsidiary of Seven Group Holdings Limited ACN 142 003 469, for all the ordinary shares in Boral. This Fourth Supplementary Target's Statement supplements, and should be read together with, Boral's supplementary target's statement dated 25 June 2021 (**Third Supplementary Target's Statement**), Boral's supplementary target's statement dated 22 June 2021 (**Second Supplementary Target's Statement**), Boral's supplementary target's statement dated 21 June 2021 (**First Supplementary Target's Statement**) and Boral's target's statement dated 10 June 2021 (**Original Target's Statement**).

Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning as in this Fourth Supplementary Target's Statement.

This Fourth Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement, First Supplementary Target's Statement, Second Supplementary Target's Statement and Third Supplementary Target's Statement.

A copy of this Fourth Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

1 July 2021

FOURTH SUPPLEMENTARY TARGET'S STATEMENT

This Fourth Supplementary Target's Statement provides important information relevant to Boral Shareholders in their consideration of the SGH Offer.

**THE BORAL INDEPENDENT BOARD COMMITTEE CONTINUES TO
UNANIMOUSLY RECOMMEND THAT YOU**

REJECT

**THE REVISED SGH OFFER AS IT STILL UNDERVALUES YOUR BORAL
SHARES**

1. SGH increases its Offer Price and extends its Offer

On 1 July 2021, Seven Group Holdings (**SGH**) announced the conditions to its First Conditional Increase had been met, increasing the consideration under the Offer to \$7.30 per Boral Share. As a result, the **SGH Offer Period has been extended to close at 7.00p.m. on 15 July 2021.**

SGH Bidder has stated that it will increase the consideration under the Offer to \$7.40 cash per Boral Share if its aggregate interest in Boral Shares increases to 34.5% or more prior to 5.00 p.m. on Wednesday, 7 July 2021 (**Second Conditional Increase**).

The Boral Independent Board Committee continues to unanimously recommend that you **REJECT** the SGH Offer of \$7.30 per Boral Share and the Second Conditional Increase, as both still undervalue your Boral Shares.

Section 2 of this Fourth Supplementary Target's Statement sets out the reasons for the Boral Independent Board Committee's continued recommendation.

To **REJECT** the SGH Offer of \$7.30 per Boral Share and the Second Conditional Increase, the Boral Independent Board Committee encourages you to **DO NOTHING** and **TAKE NO ACTION**.

SGH Bidder has stated it will not extend the Offer Period prior to the current scheduled end of the Offer Period. However, the Offer Period may be automatically extended pursuant to the Corporations Act. If SGH Bidder's voting power in Boral increases to more than 50%, or the consideration under the SGH Offer is increased, within the last 7 days of the Offer Period, the Offer Period will be automatically extended to close 14 days after the increase occurs. For SGH to become required to increase its offer to \$7.40 per Boral Share under the Second Conditional Increase, its aggregate interest in Boral Shares must increase to 34.5% or more prior to 5.00 p.m. on Wednesday, 7 July 2021, which is not within the last 7 days of the Offer Period and so if the Second Conditional Increase occurs, that event will not extend the Offer Period.

2. Reasons for the Boral Independent Board Committee's recommendation to REJECT the Offer

The reasons for the Boral Independent Board Committee's recommendation are summarised below:

1. The SGH Offer of \$7.30 per Boral Share and the Second Conditional Increase are **materially below the Independent Expert's assessment of value of \$8.25-\$9.13 per share**. In addition, and as noted in the First Supplementary Target's Statement dated 21 June 2021, Grant Samuel advised Boral that the final price agreed for the sale of its North American Building Products business of US\$2.15 billion exceeds the US\$1.8 - US\$2.0 billion valuation range attributed to it in its Independent Expert's Report.
2. **Boral's renewed strategy (i) is expected to unlock significant value in the near-term from potential divestment of assets, notably in North America, and (ii) will aim to drive value creation and earnings growth, including through its transformation program.**

As outlined in Boral's Third Supplementary Target's Statement dated 25 June 2021, following the completion of the sale of its North American Building Products business, and based on Boral's financial framework, Boral estimates it will have surplus capital (prior to any reinvestment alternatives) of ~\$3.6 billion which equates to \$3.02 per Boral share¹. The Company will determine the appropriate form of any return to shareholders, which may involve further shareholder approvals

3. The SGH Offer is **opportunistic and appears to be timed to take advantage of an improving outlook for Boral.**

¹ Based on cash balance and number of shares as at 31 May 2021. Includes additional proceeds of US\$125 million (A\$167 million) expected from the announced divestment of Meridian Brick, anticipated to complete in the first quarter of FY22.

4. SGH is attempting to increase its influence over Boral without paying fair value for it. Boral's share price closed at its then 52 week high of \$7.16 on 23 June 2021 and at \$6.90 per share on 24 June 2021 (the last trading day prior to SGH's Second Supplementary Bidder's Statement). The Second Conditional Increase, at \$7.40² represents a 3.4% premium to Boral's share price of \$7.16 as at 23 June 2021 and a 7.2% premium to Boral's share price of \$6.90 as at 24 June 2021 and **does not reflect a sufficient premium for an increase in control.**

The Target's Statement dated 10 June 2021 provides further information regarding the reasons for the Independent Board Committee's recommendation.

Your Independent Directors will continue to act in the best interests of Boral Shareholders and will keep you informed of any material information.

3. Governance Protocols

The Boral Independent Board Committee notes its commitment to ensuring it has governance protocols in place that are in the best interests of all shareholders. Any proposal for additional SGH representation on the Board will be considered by the independent directors of Boral on its merits at the appropriate time.

As noted in Boral's Target's Statement dated 10 June 2021, the Boral Independent Board Committee will look to ensure the following governance structure is in place:

- the Board to comprise a majority of independent directors
- the Chairman to be an independent director;
- each Board committee to consist of a majority of independent directors and to be chaired by an independent director; and
- other enhanced protocols so that the governance of Boral is conducted in the best interests of all Boral Shareholders.

4. Timetable and process

The SGH Offer is scheduled to close at 7.00pm (Sydney time) on 15 July 2021 (unless extended).

Boral Shareholders who have any questions in relation to the SGH Offer should call the shareholder information line on 1300 513 794 (for callers within Australia) or +61 2 9066 4081 (for callers outside Australia) between 9.00am to 6.00pm (Sydney time) Monday to Friday (excluding public holidays).

Signed for and on behalf of Boral Limited following a resolution by the Boral Independent Board Committee.

sign here ►



Chairman

print name

Kathryn Fagg

date ► 1 July 2021

² Conditional upon receipt of acceptances under the Revised SGH Offer sufficient to increase SGH Bidder's aggregate interest in Boral Shares to 34.5% or more prior to 5:00 p.m. on Wednesday, 7 July 2021.

Boral has relied on the modification to Section 638(5) of the Corporations Act set out in paragraph 5(e) of ASIC Class Order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to Class Order 13/521, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement. As required by Class Order 13/521, Boral will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to Boral Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts) Boral Shareholders may contact the shareholder information line on 1300 513 794 (for calls made from within Australia) or +61 2 9066 4081 (for calls made from outside Australia) between 9am to 6pm (Sydney Time) Monday to Friday (excluding public holidays).