

10 April 2019

Dear fellow Shareholder

On behalf of the Board, I am pleased to invite you to Adelaide Brighton Limited's 2019 Annual General Meeting (AGM).

The AGM will be held at the Ballroom, Lower Level, InterContinental, North Terrace, Adelaide, South Australia 5000, on Friday 10 May 2019 at 10.00 am (Adelaide time). The Notice of Meeting and Proxy Form are enclosed with this letter.

We encourage and look forward to our shareholders attending the AGM. Shareholders who cannot attend the AGM may appoint a proxy online at www.investorvote.com.au or using the enclosed Proxy Form.

The items of business that will be considered at the AGM are:

- > the financial report, directors' report and auditor's report;
- > the election of Rhonda Barro;
- > the re-election of myself and Ken Scott-Mackenzie; and
- > the remuneration report.

As announced to the ASX on 26 March 2019, Barro Properties and its associated entities (Barro Group) and the independent Directors have confirmed their support for a Board Governance Framework designed to be appropriate to recognise both the cornerstone shareholding of the Barro Group in the Company and the importance of effective oversight by independent Directors for the benefit of all shareholders. Following the AGM, provided all resolutions are passed by shareholders:

- > a majority of the Board will comprise independent Directors (4 independent Directors and 3 nominees of Barro Group);
- > Raymond Barro will be appointed by the Board as its Chairman; and
- > I will be appointed Lead Independent Director and Deputy Chairman.

A Board Protocol (Potential Conflicts and Interests) in the form released to the ASX with our 26 March announcement has been adopted by the Board to apply to, amongst other things, interactions between the business interests of Barro Group and Adelaide Brighton.

The acceptance of these governance and conflicts management principles and confirmation from the Barro Group that it would support a majority of the Board comprising independent Directors for the foreseeable future, were important considerations for the Board's support for Rhonda Barro's appointment to the Board and the appointment of Raymond Barro as our Chairman. All of your Directors believe Rhonda has the experience and qualities to make a great contribution to the Board and Raymond's experience and knowledge of the industry is unrivalled in Australia so we are looking forward to working with him in his role as Board Chairman.

Accordingly, the Board recommends that shareholders vote in favour of all items to be considered at the meeting. Full details are set out in the explanatory notes in the enclosed Notice of Meeting.

On behalf of the Board, I look forward to welcoming you to the 2019 AGM.



Zlatko Todorcevski
Chairman

Notice of Annual General Meeting

Notice is given that the 2019 Annual General Meeting of Adelaide Brighton Ltd (the Company) will be held at the Ballroom, Lower Level, InterContinental, North Terrace, Adelaide, South Australia 5000, on Friday 10 May 2019 at 10.00 am Adelaide time, for the purpose of transacting the business set out in this Notice.

Adelaide Brighton Ltd
ABN 15 007 596 018
Level 1, 157 Grenfell Street
Adelaide, South Australia 5000
GPO Box 2155, Adelaide SA 5001
Telephone 08 8223 8000
Facsimile 08 8215 0030
Email adelaidebrighton@adbri.com.au
Web www.adbri.com.au

Business

1 Financial Report, Directors' Report and Auditor's Report

To receive and consider the financial report, directors' report and the auditor's report for the financial year ended 31 December 2018.

Note: There is no requirement for shareholders to vote on this item

2 Election of Ms R Barro

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

"That Ms Rhonda Barro, having been nominated by a shareholder under rule 7.1(l) of the Company's constitution, be elected as a Director of the Company"

3 Re-election of Mr KB Scott-Mackenzie

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

"That Mr Scott-Mackenzie, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution and, being eligible, is re-elected as a Director of the Company."

4 Re-election of Mr Z Todorcevski

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

"That Mr Todorcevski, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution and, being eligible, is re-elected as a Director of the Company."

5 Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

"To adopt the Remuneration Report for the financial year ended 31 December 2018."

The Remuneration Report is set out on pages 49 to 71 of the 2018 Annual Report.

Note: This resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on Item 5:

- > by or on behalf of a person who is a member of the key management personnel named in the remuneration report for the year ended 31 December 2018 or their closely related parties (regardless of the capacity in which the vote is cast); or
- > as proxy by a person who is a member of the key management personnel on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- > in accordance with the directions on the proxy form; or
- > by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though Item 5 is connected with the remuneration of the key management personnel.

By order of the Board
Marcus Clayton
Company Secretary

25 March 2019

Item 1 Financial Report, Directors' Report, Auditor's Report

The *Corporations Act* requires the financial report (which includes financial statements, notes to the financial statements and directors' declaration), the directors' report and the auditor's report to be laid before the Annual General Meeting.

There is no requirement for a formal resolution on this matter. Accordingly, there will be no formal resolution put to the meeting.

Shareholders will be given a reasonable opportunity at the meeting to raise questions on these reports and to make comments on the business, operations and management of the Company.

Item 2 Election of Ms R Barro

Ms Rhonda Barro is an Executive Director of Barro Group.

Ms Barro has over 43 years' experience in the construction materials industry and executive management experience in line and functional areas, and is highly regarded for her skills in maximising the effectiveness of the strategies and structures across the Barro Group. Her breadth of experience also extends to a true insight and appreciation of the issues that face business leaders today. Ms Barro continues to take a supportive and active role in community involvement.

Ms Barro's other roles include:

- > Executive Director - Barro Group (current)
- > Director - Independent Cement and Lime Pty Ltd (current)
- > Fellow - Williamson Community Leadership Program
- > Director - Co.As.It. Italian Assistance Association (1998 - current)
- > President - Co.As.It. Italian Assistance Association (2011 - 2018)
- > Chair - Italian Historical Society Strategy Committee (1990 - current)
- > St Vincent's Institute of Medical Research Foundation Board (2019 - current).

The Board recommends that shareholders vote in favour of the election of Ms Barro.

The Board notes that Ms Barro, who has been nominated by Barro Properties Pty Ltd, is not considered an independent Director.

Item 3 Re-election of Mr KB Scott- Mackenzie *BE (Mining), Dip Law*

Mr Scott-Mackenzie, 68 years of age, was appointed to the Board as an independent non-executive Director in July 2010. He is Chair of the Safety, Health, Environment and Community Committee and a Member of the People and Culture Committee.

Mr Scott-Mackenzie has over 40 years' experience in infrastructure, construction and mining services gained in Australia and overseas, as well as a background in the financial, legal and commercial aspects of projects. As an executive, he held several senior management positions and was the Chief Executive Officer of a major construction group.

Mr Scott-Mackenzie was formerly a Chairman of Macmahon Holdings Limited, Linking Melbourne Authority and Murchison Metals Ltd.

The Board has considered the performance of Mr Scott-Mackenzie as well as the skills, knowledge and experience he brings to the Board and his contribution to Board discussions.

The Board considers Mr Scott-Mackenzie to be an independent Director, and with Mr Scott-Mackenzie abstaining, recommends that shareholders vote in favour of Item 3.

Item 4 Re-election of Mr Z Todorcevski

MBA, BCom, FCPA, FGIA

Mr Todorcevski, 51 years of age, joined the Board as an independent non-executive Director in March 2017 and was appointed Chairman in May 2018. He is a Member of the Audit, Risk and Compliance Committee.

Mr Todorcevski is an experienced global executive with more than 30 years' experience in the oil and gas, logistics and manufacturing sectors gained in Australia and overseas and has a background in finance, strategy and planning. He has previously held the position of Chief Financial Officer with BHP Billiton's Energy business, Oil Search Limited and Brambles Limited.

Mr Todorovski is a Director of The Star Entertainment Group Limited and Coles Group Limited. He was formerly the President of the Group of 100, the peak body for Australia's Chief Financial Officers from the nation's major private and public business enterprises. He was also Chairman of the Accounting and Auditing Standing Committee of the Australian Securities and Investments Commission.

The Board has considered the performance of Mr Todorovski as well as the skills, knowledge and experience he brings to the Board and his contribution to Board discussions.

The Board considers Mr Todorovski to be an independent Director, and with Mr Todorovski abstaining, recommends that shareholders vote in favour of Item 4.

Item 5 Adoption of Remuneration Report - non-binding advisory vote

As required by the Corporations Act, the Board is presenting the Company's Remuneration Report for the financial year ended 31 December 2018 to shareholders for consideration and adoption by a non-binding advisory vote.

The Remuneration Report is set out on pages 49 to 71 of the 2018 Annual Report.

The Remuneration Report discusses:

- > the remuneration policy adopted by the Board;
- > the remuneration details of Key Management Personnel (KMP) (comprising each Director and certain members of the senior executive team);
- > how the Company's performance has driven remuneration outcomes for the 2018 financial year; and
- > the performance conditions that must be met prior to KMP executives deriving any value from the 'at risk' components of their remuneration.

The Remuneration Report has received positive support from shareholders in prior years and the content of the 2018 Remuneration Report remains largely unchanged.

We have also prepared the Remuneration Report in line with our objective of transparency in explaining our remuneration framework and practices and the link between Company and individual performance and incentive remuneration outcomes.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, there will be a reasonable opportunity for discussion of the Remuneration Report at the meeting, and the Board will take into account this discussion and the outcome of the vote on this resolution when considering the future remuneration arrangements of the Company.

As a result of the provisions in the Corporations Act known generally as the 'two strikes rule', shareholders should note that the result of the vote on this resolution may impact the voting process at the Annual General Meeting next year. If 25% or more of the votes cast on this resolution are against the adoption of the 2018 Remuneration Report, this will be considered the 'first strike'. If a 'second strike' is cast against the Remuneration Report at next year's Annual General Meeting, this will trigger a vote on a resolution to spill the Board. Consequently, the Directors may need to stand for re-election.

The Board, therefore, encourages shareholders to apply the same level of diligence in relation to voting on this resolution as they do with the binding resolutions.

The Board recommends that shareholders vote in favour of Item 5.

Voting information

Voting entitlement

For the purposes of the meeting, shares will be taken to be held by the persons who are the registered holders at close of business on Wednesday 8 May 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Methods of voting

Shareholders can vote in the following ways:

- > by attending the meeting and voting either in person, by attorney or, in the case of corporate shareholders, by corporate representative; or
- > by appointing a proxy to vote on their behalf using the form of appointment of proxy enclosed or online (refer below).

All your securities will be voted in accordance with your directions.

The Chairman intends to put all items set out in the notice of meeting to a poll.

Voting by Proxy

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder.

A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- > appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001 (Cth)*; and
- > provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received at least 48 hours before the meeting, the body corporate (through its representative) will not be permitted to act as a proxy.

A form of appointment of proxy is enclosed. To be effective, the document appointing the proxy (and a certified copy of the power of attorney, if any, under which it is signed) must be received by the Company at least 48 hours before the meeting. The documents should be lodged with the Company:

- > by mail to:
Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001

- > by facsimile to:
1800 783 447 (within Australia)
+613 9473 2555 (outside Australia)

- > **Vote online:** Shareholders can also cast their votes online at

www.investorvote.com.au

and follow the prompts.

To use this facility you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and control number as shown on the proxy form. You will have taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.

- > **Custodian voting:** For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using the enclosed proxy form, an additional form of proxy is available on request from the Company.

A proxy may choose whether or not to vote on a show of hands or on a poll. If the proxy chooses to vote, the proxy must vote in accordance with the directions of a shareholder on the proxy form. If the proxy chooses not to vote on a poll, the Chairman of the Meeting must exercise the proxy in accordance with the directions of the shareholder on the proxy form (if any).

If a shareholder does not indicate on the proxy form the manner in which a proxy is to vote, then the proxy may vote as he thinks fit. The Chairman of the Meeting intends to vote all available undirected proxies in favour of all items of business.

Corporate shareholders

A representative of a company attending the meeting must present satisfactory evidence of his or her appointment to attend on its behalf, unless previously lodged with the Company.

Annual Report

Adelaide Brighton Limited's 2018 Annual Report is available at:
www.adbri.com.au/investors#reports



Adelaide Brighton Ltd

ABN 15 007 596 018

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1800 339 522
(outside Australia) +61 3 9415 4031

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (Adelaide time) Wednesday 8 May 2019

How to vote on items of business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business in Step 2. If you mark more than one box on an item your vote will be invalid on that item.

If your proxy chooses to vote, then he/she must vote in accordance with your direction. If you have directed your proxy to vote, and they do not attend the meeting or choose to not vote on a poll, then the Chairman of the Meeting will vote your proxies in accordance with your directions (if any).

If you do not mark a box your proxy may vote as they choose on that item. However, note that if the Chairman of the Meeting is your proxy, he intends to vote your undirected proxy in accordance with the voting intentions set out in Step 2.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against, or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement of 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1.

Appointing a member of the key management personnel: If you appoint a member of the key management personnel (other than the Chairman of the Meeting) or a closely related party of such a person as your proxy, you must direct him/her how to vote on Item 5 in Step 2 or your votes will not be counted.

A proxy need not be a securityholder of the Company.

Signing instructions for postal forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments and questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to vote on your behalf

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I/We being a member/s of Adelaide Brighton Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Adelaide Brighton Ltd to be held at the Ballroom, Lower Level, InterContinental, North Terrace, Adelaide, South Australia 5000 on Friday 10 May 2019 at 10:00am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 5** (except where I/we have indicated a different voting intention below) even though **Item 5** is connected with the remuneration of the Company's key management personnel, (which includes the Chairman).

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 5** by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
2 Election of Ms R Barro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr KB Scott-Mackenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Mr Z Todorcevski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /