

# INVITATION

## Invitation to CSR's AGM

**Dear shareholder, it gives me great pleasure to invite you to attend CSR's Annual General Meeting to be held in the Ballroom, The Four Seasons Hotel, 199 George Street, Sydney, at 10.00am on Thursday 10 July 2008.**

Managing Director Jerry Maycock and I will present our yearly reviews of CSR's financial position, operations, prospects, strategy and growth to shareholders. The notice of meeting (in the following pages) details the business to be dealt with at the AGM. Briefly, this will be to discuss and vote on adoption of the formal reports for the financial year; election of directors – Kathleen Conlon and Richard Lee are standing for re-election; the remuneration report; and an increase in the total sum for remuneration of non-executive directors to accommodate reasonable increases in line with the market and to provide for an increase in the size of the board.

If you choose to attend the meeting, please bring the enclosed proxy form with you to speed your registration for entry to the AGM. If you do not plan to be at the meeting, you are encouraged to appoint someone to attend and vote on your behalf as your proxy. Instructions on how to appoint a proxy are on the back of the proxy form.

Proxy forms must be received by 10.00 am Sydney time on Tuesday 8 July 2008 to be valid for the meeting.

Your proxy may be appointed in a variety of ways described on page 1 of the notice of meeting under 'Proxies'.

The AGM will be webcast live on CSR's internet site, [www.csr.com.au](http://www.csr.com.au). Also available on our internet site are:

- a link to register your e-mail address to receive all shareholder information electronically
- the CSR Annual Report 2008, CSR Shareholder Review 2008 and Notice of Meeting 2008
- a link to standard shareholder forms, including a direct dividend advice, a change of address advice and a request to consolidate holdings, and
- copies of news releases and financial presentations

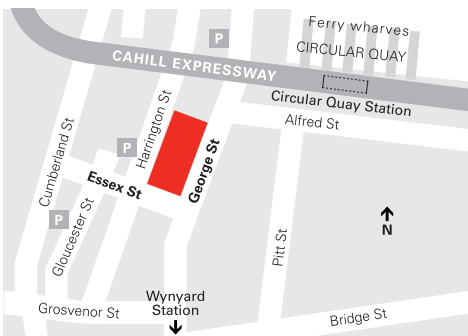
I look forward to seeing you at the AGM.

Yours sincerely



IAN BLACKBURNE  
Chairman

10 June 2008



The Ballroom  
The Four Seasons Hotel  
199 George Street  
Sydney



# Notice of Meeting 2008

The annual general meeting of CSR Limited will be held at:

**The Ballroom  
The Four Seasons Hotel  
199 George Street  
Sydney NSW 2000  
At 10.00 am on  
Thursday 10 July 2008**

## AGENDA

### ORDINARY BUSINESS

**1. To receive and consider the financial report and the reports of the directors and of the auditor** for the financial year ended 31 March 2008.

**2. To elect directors** To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- That Kathleen Conlon, who will retire by rotation at the close of the meeting in accordance with clause 55 of the company's constitution, be re-elected as a director of the company.
- That Richard Lee, who will retire by rotation at the close of the meeting in accordance with clause 55 of the company's constitution, be re-elected as a director of the company.

Separate resolutions will be considered in respect of each of the above directors.

**3. To adopt the remuneration report** for the financial year ended 31 March 2008.

Note that the vote on this item is advisory only and does not bind the directors or the company.

### SPECIAL BUSINESS

**4. To increase the maximum aggregate remuneration of non-executive directors**

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

'That, with effect from and including the financial year commencing 1 April 2008, the aggregate maximum sum available for the remuneration of non-executive directors be increased by \$300,000 per year to \$1,450,000 per year.

### DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00 pm Sydney time on Tuesday 8 July 2008.

### VOTING RESTRICTIONS

CSR will disregard any votes cast on the proposed resolution in agenda item 4 by any of the CSR directors or by any associate of a CSR director. However, CSR need not disregard a vote if it is cast by:

- a person as proxy for another person who is entitled to vote, in accordance with the directions on the proxy form (or provided electronically)
- the chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form (or provided electronically) to vote as the proxy decides.

### PROXIES

If you are a shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a shareholder of the company.

If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the proxy form.

The company's constitution (available on the company's internet site, [www.csr.com.au](http://www.csr.com.au) under Investors/Corporate governance) provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a shareholder or is also a proxy for another shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

You may lodge a proxy online at the internet address (below) of our share registry, Computershare Investor Services Pty Limited, by following the instructions set out on the internet site. Shareholders who elected to receive their notice of meeting and proxy electronically will have received an e-mail with a link to the Computershare site.

To be effective, the proxy form or electronic proxy appointment must be received by Computershare at the postal or internet address or facsimile number below or by CSR at our registered office, Level 1, 9 Help Street, Chatswood, New South Wales 2067 Australia, not later than 10.00 am (Sydney time) on Tuesday 8 July 2008.

### WHERE TO LODGE A PROXY

CSR Limited share registry  
Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001 Australia  
(Please use the enclosed reply envelope)  
You can lodge your proxy electronically at:  
[www.computershare.com/au/proxy/csr](http://www.computershare.com/au/proxy/csr)  
Facsimile (03) 9473 2118  
International +61 3 9473 2118

You can arrange to receive shareholder information electronically, or obtain a replacement proxy form or a special proxy form to appoint a second proxy, by contacting Computershare on 1800 676 061 (within Australia) or +61 3 9415 4033 (outside Australia) or go to [www.computershare.com.au](http://www.computershare.com.au) (Investor Centre).

### ADMISSION TO MEETING

Shareholders who will be attending the CSR annual general meeting and not appointing a proxy, are asked to bring your proxy form (if you still have one) to the meeting to help speed admission.

If you do not plan to attend the meeting, you are encouraged to complete and return a proxy form or lodge a proxy online, for your holding(s) of CSR shares.

### QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act 2001 and the company's past practice, a reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comments on, the management of the company.

Similarly, a reasonable opportunity will also be given to shareholders at the meeting to ask Deloitte Touche Tohmatsu, CSR's auditor, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Written questions for Deloitte Touche Tohmatsu relevant to the conduct of the audit and the content of the auditor's report must be received no later than 5.00 pm (Sydney time) on Thursday 3 July 2008 at Computershare (at the address or fax number for lodgement of proxies). Alternatively, the questions may be sent to the company secretary, CSR Limited, Level 1, 9 Help Street, Chatswood, NSW 2067 or by e-mail to [investorrelations@csr.com.au](mailto:investorrelations@csr.com.au). A list of questions to the auditor will be available at the meeting.

## EXPLANATORY NOTES ON AGENDA ITEMS

### 1. To receive and consider the reports for the year ended 31 March 2008

The CSR Annual Report 2008 (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting. Shareholders can access a copy of the Annual Report on CSR's internet site at: [www.csr.com.au/investorcentre/reports.asp](http://www.csr.com.au/investorcentre/reports.asp). As permitted by recent legislation, a printed copy of the CSR Annual Report 2008 has been sent only to those shareholders who have elected to receive a printed copy.

During this item, shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the reports and CSR's management, businesses, operations, financial performance and prospects.

The directors unanimously recommend that shareholders vote in favour of agenda item 1.

### 2. To elect directors

Kathleen Conlon was appointed in December 2004 and Richard Lee in May 2005. Both were elected by shareholders at the annual general meeting in July 2005. Having served for three years, they retire by rotation in accordance with clause 55 of the company's constitution and the ASX Listing Rules.

Information about the directors standing for election:



#### KATHLEEN CONLON

BA (ECON) (DIST), MBA, AGE 44.

A member of the Safety, Health and Environment Committee and the Remuneration and Nominations Committee. Kathleen joined the board in 2004 as an independent director after seven years as a partner and director of the Boston Consulting Group (BCG) where she led BCG's Asia Pacific Operational Effectiveness Practice Area and, previously, the Sydney office. Kathleen has over 20 years' experience in professional consulting, having advised many of Australia's leading industrial companies. She is a member of Chief Executive Women, a NSW council member of the Australian Institute of Company Directors and a non-executive director of both DLA Phillips Fox and Real Estate.com.au. Resides in Sydney.



#### RICHARD LEE

BENG (CHEM) (HONS), MA (OXON), AGE 58.

A member of the Audit Committee and the Remuneration and Nominations Committee, Richard joined the board in 2005 as an independent director. He has had 19 years experience in investment banking and the finance industry. Richard is a former chief executive officer of N M Rothschild Australia Group. Prior to his investment banking career, he held a number of senior roles in CSR's Sugar division. Richard has been chairman of Salmat Limited for five years and is deputy chairman of Ridley Corporation Limited, where he has been a director for six years. He has been a director of Newcrest Mining Limited since August 2007 and is also a director of Wesfarmers Insurance Division and Cash Services Australia Pty Limited. A Rhodes Scholar, he is a fellow and NSW president of the Australian Institute of Company Directors, a founding council member of the Institute of Neuromuscular Research and a director of the Australian Rugby Union. Resides in Sydney.

The directors (in each case excluding the relevant director) unanimously recommend that shareholders vote in favour of agenda items 2a and 2b.

### 3. To adopt the remuneration report for the year ended 31 March 2008

Directors of listed companies, such as CSR, are required to provide detailed disclosures of director and senior executive remuneration in their directors' reports. These disclosures are set out in the remuneration report (which forms part of the directors' report) on pages 8 to 17 of the CSR Annual Report 2008. (As mentioned above, shareholders can access a copy of the Annual Report on CSR's internet site; printed copies of the annual report have been sent to those shareholders who elected to receive a copy in this form; and the Annual Report will be presented to the AGM.)

The remuneration report includes:

- discussion of the board's policy in relation to the nature and level of remuneration of the directors, chief executive officer and key management personnel of CSR
- discussion of the relationship between the board's remuneration policy and CSR's performance over the five financial years up to and including the year ended 31 March 2008
- information about performance hurdles applicable to the short-term and long-term incentive components of the remuneration of the chief executive officer and key management personnel, and
- details of the remuneration provided to the non-executive directors, managing director and key management personnel for the year ended 31 March 2008

There will be a reasonable opportunity for shareholders at the meeting to comment on, and ask questions about, the remuneration report.

The vote on the proposed resolution in agenda item 3 is advisory only and will not bind the directors or the company, however, the board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The directors unanimously recommend that shareholders vote in favour of agenda item 3.

### 4. To increase the maximum aggregate remuneration of non-executive directors

The remuneration payable by CSR to directors is determined by shareholders in general meeting and may not be increased without the prior approval of shareholders – as required under Article 57.1 of CSR's Constitution and ASX Listing Rule 10.17. The maximum aggregate sum (or cap) for the remuneration of non-executive directors is currently \$1,150,000 per year. This cap includes all fees, superannuation contributions and any retirement benefits paid to non-executive directors and was approved by shareholders three years ago at the annual general meeting in July 2005.

Current annual remuneration for non-executive directors totals \$912,875, reflecting increases in directors' fees over the past three years in line with market conditions. The current approved non-executive directors' fee cap is not expected to be exceeded in the current year.

The board has taken independent external advice from remuneration advisers, including a review of the current and expected level of non-executive director remuneration in Australian companies of comparable size and complexity to CSR.

CSR seeks to adequately remunerate non-executive directors at market levels for their time, commitment and responsibilities.

Non-executive directors do not participate in any securities-based or other incentive plan, but may elect to forgo fees and receive an equivalent value of CSR shares under CSR's Employee Share Acquisition Plan.

The company expects all non-executive directors to acquire a beneficial interest in CSR shares equivalent in value to 12 months' fees. This is to further align the interests of non-executive directors with those of shareholders. Until that goal is achieved, non-executive directors have agreed to forgo a minimum of 25% of their fees to buy CSR shares.

Non-executive directors appointed to the board since 1 May 2003 are not entitled to receive any retirement allowance, other than as a result of statutory superannuation contributions (which are included under the fee cap approved by shareholders). The Chairman, Ian Blackburne, who joined the board before this date, remains entitled to a retirement allowance of \$211,306, frozen as at 31 March 2004.

With effect from 1 April 2008, board fees for non-executive directors have increased as follows:

- base director's fees increase from \$125,000 to \$127,000 per annum
- board chairman's fee to increase from \$312,500 to \$317,500 per annum

The board also proposes to introduce committee fees for members of the audit committee and safety, health and environment committee to reflect the significant additional workload and responsibilities of those committees.

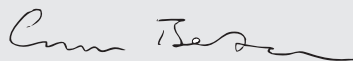
Non-executive directors are paid a director's fee from the maximum amount approved by shareholders and receive no additional remuneration, other than the company's contribution to superannuation, which is included in the maximum aggregate amount.

The board seeks shareholder approval of a new maximum aggregate sum of \$1,450,000 per year (representing an increase of \$300,000 per year). This increase will allow the board to:

- recognise increases in both the workload and responsibilities of directors on the board and its committees
- provide for effective succession planning by attracting strong candidates and permitting effective transition arrangements
- increase the size and composition of the board as the company's needs change and grow. CSR is a diverse and growing company and currently has the minimum number of non-executive directors required by clause 52.2 of the company's constitution
- attract and maintain high-calibre directors in a marketplace where there is very strong competition for talented, highly competent individuals

If the proposed maximum is approved by shareholders, CSR will not utilise the whole of the revised fee pool in the current year. CSR expects that the proposed maximum will enable it to respond appropriately to the market and the company's needs in subsequent years.

As each of the directors has a personal interest in the proposed resolution in item 4, it is not appropriate for them to make any recommendation as to how shareholders should vote on this resolution.



**CHRIS BERTUCH**  
Company Secretary

10 June 2008

#### **SHAREHOLDER INFORMATION AND INQUIRIES**

All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
Sydney NSW 2000 Australia  
GPO Box 2975  
Melbourne VIC 3001 Australia

Telephone within Australia 1800 676 061  
International +61 3 9415 4033  
Facsimile (03) 9473 2500  
International +61 3 9473 2500  
E-mail [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Internet [www.computershare.com.au](http://www.computershare.com.au)

#### **CSR LIMITED**

ABN 90 000 001 276

Level 1, 9 Help Street  
Chatswood NSW 2067 Australia  
Locked Bag 6  
Chatswood NSW 2057 Australia

Telephone (02) 9235 8000  
International +61 2 9235 8000  
Facsimile (02) 9235 8044  
International +61 2 9235 8044  
E-mail [investorrelations@csr.com.au](mailto:investorrelations@csr.com.au)  
Internet [www.csr.com.au](http://www.csr.com.au)