

Notice of Meeting 2013

CSR LIMITED ABN 90 000 001 276

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 CIVIC PAVILION, THE CONCOURSE, 409 VICTORIA AVENUE, CHATSWOOD AT 2.00PM ON THURSDAY 11 JULY 2013.

Managing Director, Rob Sindel, and I will present to shareholders our yearly reviews of CSR's financial position, operations, prospects and growth strategy. The notice of meeting (following pages) details the business to be dealt with at the AGM. Briefly, this will be:

- to receive and consider the formal reports for the financial year;
- to re-elect Ray Horsburgh AM as a non-executive director of the company;
- to adopt the remuneration report; and
- to approve the issue of long-term incentives to the managing director.

As in recent years, we invite shareholders to submit questions in advance of the meeting on the form attached to the notice of meeting.

If you choose to attend the meeting, please bring the enclosed proxy form with you to assist with 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 enclosed proxy form.

Proxy forms must be received by 2.00pm Sydney time on Tuesday 9 July 2013 to be valid for the meeting. Your proxy may be appointed in a variety of ways described on page 2 of the notice of meeting under 'Proxies'.

The AGM will be webcast live on CSR's internet site, www.csr.com.au. Also available on our internet site are:

- a link from the Share Information page to our share registry to register your e-mail address to receive all shareholder information electronically;
- the *CSR Annual Report 2013* and *Notice of Meeting 2013*;
- a link from the Share Information page to our share registry to obtain 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



Jeremy Sutcliffe

Chairman

11 June 2013

Notice of Meeting 2013

NOTICE OF MEETING 2013

THE ANNUAL GENERAL MEETING OF CSR LIMITED ("CSR" OR THE "COMPANY") WILL BE HELD IN:

**THE CIVIC PAVILION
THE CONCOURSE
409 VICTORIA AVENUE
CHATSWOOD NSW 2067
AT 2.00PM ON
THURSDAY 11 JULY 2013**

How to watch the meeting online

You can view a live webcast of the meeting on CSR's internet site, www.csr.com.au.



How to get to the meeting

Public transport: The Concourse is located within a two minute walk from major Chatswood transportation hubs, including Chatswood train station and Chatswood bus interchange.

Parking: The Concourse car park entrance is on Ferguson Lane, accessed via Archer Street. Additional car parking is also available at the nearby Westfield Chatswood and Chatswood Chase shopping centres.

A copy of the CSR Annual Report 2013 (including financial report, the directors' report and auditor's report for the year ended 31 March 2013) is available on CSR's internet site at www.csr.com.au under Investor Centre & News/Annual Meetings & Reports.

AGENDA

ORDINARY BUSINESS

1. Financial reports and directors' and auditor's reports

To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2013.

2. Election of directors

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

That Ray Horsburgh AM, 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.

3. Remuneration Report

To adopt the remuneration report for the financial year ended 31 March 2013.

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

SPECIAL BUSINESS

4. Issue of performance rights

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

That the grant to Mr Rob Sindel of 682,215 performance rights under the company's Performance Rights Plan on the terms summarised in the explanatory notes to this notice of meeting be approved for all purposes, including for the purposes of ASX Listing Rule 10.14.

ELIGIBILITY TO VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00pm Sydney time on Tuesday 9 July 2013. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

Proxies

If you are a shareholder entitled to attend and vote, you may appoint a proxy. If you are a shareholder entitled to cast two or more votes, you may appoint two proxies and 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.

The company's constitution (available on the company's internet site, www.csr.com.au under Investor Centre & News/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.

The proxy form must be signed by you or your attorney. Proxies given by corporations must be executed either in accordance with section 127 of the Corporations Act 2001 or under the hand of a duly authorised officer or attorney.

Voting restrictions apply to the company's key management personnel (KMP) and their closely related parties, which affect proxy voting.

Members of CSR's KMP (which includes each of the non-executive directors, the managing director and the chief financial officer) and their closely related parties will not be able to vote your proxy on resolutions 3 and 4 unless you direct them how to vote by marking the voting boxes for those items. The term 'closely related party' is defined in the Corporations Act 2001 and includes the KMP's spouse, dependants and certain other close family members, as well as any companies controlled by the KMP, or the KMP's spouse, dependants and certain other close family members.

If you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on resolutions 3 and 4. If you intend to appoint the chairman of the meeting as your proxy, you can direct him to vote by either marking the boxes for resolutions 3 or 4, or (in respect of resolution 4) by marking the chairman's box on the proxy form (in which case the chairman of the meeting will vote in favour of this item of business). If you sign and return your proxy form and do not provide any voting directions, you will be deemed to have expressly authorised the chairman of the meeting (where he is appointed your proxy or becomes your proxy by default) to cast your vote on resolution 3 even though the resolution is connected with the remuneration of CSR's KMP.

Voting Exclusions

Item 3

The Company will disregard any votes cast on item 3:

- by or on behalf of a member of the KMP whose remuneration is disclosed in the remuneration report and their closely related parties (such as close family members and any companies the person controls); and
- as a proxy by a member of the KMP and any of their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on item 3:

- in accordance with a direction on the proxy form; or
- by the chairman of the meeting pursuant to an express authorisation to exercise the proxy.

Item 4

The Company will disregard any votes cast on item 4:

- in any capacity by the directors of CSR and any of their associates; and
- as a proxy by a member of the KMP and any of their closely related parties,

unless the vote is cast:

- as proxy for a person entitled to vote on item 4 in accordance with a direction on the proxy form; or
- by the chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

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)
Facsimile 1800 783 447
International +61 3 9473 2555

You may lodge a proxy online at the internet address (www.investorvote.com.au) 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.

You will need a specific six digit Control Number to vote online. This number is located on the front of your Proxy Form.

To be effective, the proxy form or electronic proxy appointment (and the power of attorney or other authority under which it is signed, if any) must be received by Computershare at the postal or internet address or facsimile number above, or by CSR at its registered office, Triniti 3, Level 5, 39 Delhi Road, North Ryde, NSW 2113, Australia, no later than 2.00pm Sydney time on Tuesday 9 July 2013.

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 at 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 of the annual financial report and the content of the auditor's report may be sent to Computershare (at the address or fax number for lodgement of proxies). Alternatively, the questions may be sent to the company secretary, CSR Limited, Triniti 3, Level 5, 39 Delhi Road, North Ryde, NSW 2113 or by e-mail to investorrelations@csr.com.au. In each case, the written questions must be received no later than 5.00pm (Sydney time) on Thursday 4 July 2013. A list of questions to the auditor will be available at the meeting.

The Agenda (continued)

EXPLANATORY NOTES TO NOTICE OF MEETING

1. Financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2013

The CSR Annual Report 2013 (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 <http://www.csr.com.au/Investor-Centre-&-News/Annual-Meetings-and-Reports/Pages/default.aspx>. As permitted by legislation, a printed copy of the *CSR Annual Report 2013* 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, but there will be no formal resolution put to the meeting. CSR's auditor will also be present at the meeting to answer questions in relation to the conduct of the audit (including the independence of the auditor), the preparation and content of the auditor's report and the accounting policies adopted by CSR. Shareholders may also submit questions in advance of the meeting by completing the form attached to this notice of meeting.

2. Election of directors

Re-election of Ray Horsburgh AM as a non-executive director

Ray Horsburgh AM was appointed a director of the company in 2006 and was last re-elected by shareholders at the 2010 AGM. Ray retires by rotation in accordance with clause 55 of the company's constitution and offers himself for re-election at this meeting.

CSR's constitution contemplates that the office of a director becomes vacant if the director attains the age of 70. Whilst the directors are aware of this provision, they are committed to ensuring that the board of CSR continues to comprise directors with an appropriate mix of skills and experience, and are conscious of the need for director succession to be managed in a smooth and effective manner. The directors are in the process of recruiting an additional member, at which time it is intended that Ray would step down from the board. The directors believe that it is in the best interests of shareholders that Ray remains on the board until a new candidate is appointed in order to facilitate a smooth succession process. Ray has agreed to this and the directors are grateful to Ray for prioritising the interests of CSR shareholders.

Information about Ray Horsburgh AM is set out below:

Ray Horsburgh AM

BENG (CHEM), HON D UNIV, FAICD, FIE AUST, AGE 70.

Ray joined the board in 2006 and has been chairman of the Workplace Health, Safety & Environment Committee since 2007. Ray has had a distinguished record of managing manufacturing businesses, including leading a number of mergers and acquisitions. He was managing director of Smorgon Steel Group Limited for 15 years until its merger with OneSteel Limited in August 2007. This followed a 31 year career with the Australian Consolidated Industries Group, primarily in senior roles in the glass and packaging businesses. In September 2007, he was appointed chairman of Toll Holdings Limited where he has served as a director for nine years. In August 2012 he was appointed chairman of Calibre Group Limited. Ray is also a director of National Can Industries Limited, Revolution Roofing and the Ponting Foundation. He is a former director of Traffic Technologies Limited.

Recommendation

The directors (excluding Ray Horsburgh) unanimously recommend that shareholders vote in favour of resolution 2.

3. Remuneration report

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 23 to 37 of the *CSR Annual Report 2013*. (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 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 2013;
- information about performance hurdles applicable to the short-term and long-term incentive components of the remuneration of key management personnel; and
- details of the remuneration provided to the non-executive directors, managing director and chief financial officer for the year ended 31 March 2013.

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

The vote on resolution 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 the company's remuneration practices and policies.

For the voting exclusions applicable to this resolution 3, please refer to page 3 of this Notice of Meeting.

Recommendation

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

4. To approve the issue of Performance Rights

The board recognises that it is desirable for the managing director and other senior executives to be incentivised and remunerated on a consistent basis and in a manner that focuses their efforts on delivering long-term value for shareholders.

Pursuant to ASX Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval.

Accordingly, approval is now sought for Rob Sindel to be granted 682,215 performance rights under the CSR Performance Rights Plan ("PRP") on the terms set out below and, subject to the satisfaction of the performance and service vesting conditions below (and to adjust for any bonus issue of shares which may be made to the company's shareholders), for the issue of one fully paid ordinary share in CSR for each performance right that might vest to Rob Sindel. The grant of performance rights will be at no cost to Rob Sindel and no amount will be payable by Rob Sindel on vesting of the performance rights.

The key terms of the performance rights to be granted to Rob Sindel are set out below. Details of the PRP are contained in the remuneration report and, as relevant, are summarised below.

Number of performance rights to be granted to Mr Sindel

It is proposed that 682,215 performance rights be issued to Rob Sindel. This quantum has been determined in conjunction with an analysis of Rob Sindel's total target remuneration referenced against external market benchmarks. The share price used to calculate the number of performance rights allocated to Rob Sindel was the 10 day Volume Weighted Average Price of CSR shares leading up to 21 May 2013, which was \$1.995.

Performance conditions and vesting periods

Following testing of the performance conditions at the end of the performance periods (described below) and, to the extent to which the service and performance conditions are satisfied the performance rights will vest and CSR will issue or procure the transfer to Rob Sindel of one CSR share for each performance right that vests, for no further consideration.

The PRP rules give the board the discretion to determine the performance conditions attaching to a grant of performance rights. The board has determined that the following performance hurdles will apply to the grant of performance rights to Rob Sindel:

1. Total Shareholder Return

50% of Rob Sindel's Performance Rights ('Tranche A') will be subject to a performance condition based on the relative performance of CSR's Total Shareholder Return ('TSR') over the performance period. TSR is the percentage growth in shareholder value, which measures the changes in share price, taking into account dividends and capital returns. The TSR performance condition measures CSR's ability to deliver superior shareholder returns relative to its peer companies by ranking the TSR performance of CSR against the TSR performance of companies in a comparator group.

The proportion of the Tranche A performance rights that vest will be determined based on the ranking of CSR's TSR, relative to the TSR of each of the companies in a comparator group over the performance period, as set out in the vesting schedule below.

The comparator group comprises the constituents of the S&P/ASX 200 Index, defined at the start of the performance period ('Peer Group'). The board has the discretion to adjust the Peer Group to take into account events including, but not limited to, takeovers, mergers, de-mergers and similar transactions that might occur over the performance period.

The TSR vesting schedule is as follows:

TSR OF CSR RELATIVE TO THE PEER GROUP	PROPORTION OF TRANCHE A VESTING
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th percentile and the 75th percentile	Straight-line vesting between 50% and 100% (e.g. each percentile improvement will result in an additional 2% vesting)
75th percentile or greater	100%

2. Earnings per share

The other 50% of Rob Sindel's performance rights ('Tranche B') will be subject to an Earnings Per Share ('EPS') hurdle, which measures CSR's annual compound EPS growth over the performance period. EPS is defined as net profit after tax per share pre significant items.

The proportion of the Tranche B performance rights that vest will be determined in accordance with the vesting schedule below. The board may adjust EPS to exclude the effects of material business acquisitions or divestments and for certain one-off costs. The EPS hurdle assesses the success of the business in generating continued growth in earnings.

The EPS vesting schedule is as follows:

EPS GROWTH PER ANNUM	PROPORTION OF TRANCHE B VESTING
Below 7% compound EPS target	0%
Equal to 7% compound EPS target	50%
Between 7% and 12% compound EPS target	Between 50% and 100% increasing on a straight line basis
Greater than 12% compound EPS target	100%

3. Performance periods

Performance of each Tranche of performance rights against the applicable performance hurdle will initially be measured over the following three year performance periods:

- The initial performance period for Tranche A (i.e. the 50% of the PRP grant that is subject to the relative TSR hurdle) will commence on 23 July 2013 and finish on or around 22 July 2016; and
- The initial performance period for Tranche B (i.e. the 50% of the PRP grant that is subject to the compound EPS hurdle) will extend for the three CSR financial years from 1 April 2013 until the year ending 31 March 2016.

To the extent any performance rights under either Tranche A or Tranche B remain unvested at the end of the initial three-year performance period the performance period will be extended to a fourth year (i.e. performance will be subject to a final test at the end of the four year period to determine if any additional vesting is available for the remaining unvested performance rights). The final testing at the end of the four year period will be based on performance over the entire applicable four year period (in the case of the retest of Tranche B, the EPS targets will be compounded for four years rather than three years). CSR's TSR hurdles are measured over this period to ensure that the long-term measurement of performance under the PRP is not distorted, for example by business and commodity cycles or capital investment decisions. Accordingly:

- The extended testing period for Tranche A will commence on 23 July 2013 and finish on or around 22 July 2017; and
- The extended testing period for Tranche B will extend for the four CSR financial years from 1 April 2013 until the year ending 31 March 2017.

If the performance conditions for performance rights under either of Tranche A or Tranche B are not met by the fourth anniversary of the date of the grant of performance rights, Rob Sindel will forfeit his interest in any unvested performance rights.

Rights attaching to performance rights

Performance rights carry no voting or dividend entitlements.

The PRP rules contain provisions in relation to the adjustment of performance rights in certain circumstances, including in the event of any other capital reorganisation (such as a subdivision or consolidation), a capital return or a bonus issue of shares to members.

Change of control

The board has discretion to allow all or a part of unvested performance rights to vest on a change of control of CSR (e.g. a takeover, merger, compromise or arrangement).

Treatment of options on cessation of employment

If Rob Sindel ceases to be employed prior to the performance conditions being met, generally this will result in Rob Sindel forfeiting his interest in the unvested performance rights under the PRP.

However, if Rob Sindel ceases employment as a result of redundancy, total or permanent disablement, death or such other circumstances as determined by the board at its discretion, the board may determine that all, or a portion, of the unvested performance rights may stay on foot and remain eligible for vesting in the usual course subject to the satisfaction of the applicable performance hurdles.

Shares allocated on vesting of Performance Rights

Shares allocated to Rob Sindel upon vesting of the performance rights will rank equally with other ordinary shares on issue.

The Agenda (continued)

Prohibition of hedging arrangements

Consistent with the requirements under the Corporations Act 2001 CSR prohibits participants in the PRP from entering into any arrangement to hedge or otherwise affect their economic exposure to their performance rights. It is the board's policy to require participants to forfeit their interest in the performance rights if they enter into any hedging transaction.

Disclosure for the purposes of Listing Rule 10.15:

The following information sets out the additional disclosures required for the purposes of ASX Listing Rule 10.15:

- a) the maximum number of performance rights that can be awarded to Rob Sindel under this approval is 682,215;
- b) the price payable on the issue or vesting of each performance right is nil;
- c) since approval for performance rights under the PRP was last obtained (at the 2012 annual general meeting), Rob Sindel (being the only director to participate in the PRP) received 798,497 performance rights on 22 July 2012 following a resolution of shareholders to grant them. The acquisition price for this grant was nil;
- d) the only director entitled to participate in the PRP is Alan Robert Harold Sindel;
- e) there is no loan proposed in relation to the proposed award of performance rights to Rob Sindel; and
- f) the performance rights that are the subject of this approval will be granted to Rob Sindel on or around 23 July 2013 (and, in any event, prior to 11 July 2014).

For the voting exclusions applicable to this resolution 4, please refer to page 3 of this notice of meeting.

Recommendation

The directors (excluding Rob Sindel) unanimously recommend that shareholders vote in favour of resolution 4.



Debbie Schroeder
Company Secretary

11 June 2013

CSR LIMITED

ABN 90 000 001 276

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North Ryde NSW 2113 Australia

Locked Bag 1345
North Ryde NSW 1670 Australia

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International +61 2 9235 8000

Facsimile (02) 8362 9013
International +61 2 8362 9013

E-mail investorrelations@csr.com.au
Internet www.csr.com.au

SHAREHOLDER INFORMATION AND ENQUIRIES

All enquiries 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
Internet www.computershare.com.au

QUESTIONS FROM SHAREHOLDERS

CSR aims to provide relevant and timely information to shareholders at the Annual General Meeting. If you would like to submit a question, please use this form and send it to Computershare (at the address or fax number for lodgement of proxies). Alternatively, questions may be sent to the Company Secretary, CSR Limited, Triniti 3, Level 5, 39 Delhi Road, North Ryde, NSW 2113 or by e-mail to investorrelations@csr.com.au. Questions should be relevant to the business of the meeting as outlined in the notice of meeting and explanatory notes on agenda items. Questions must be received no later than 5.00pm (Sydney time) on Thursday 4 July 2013.

Questions will be collated and, during the meeting, either the Chairman or Managing Director will seek to address as many of the more frequently raised topics as possible. Where a question relates to the audit, the accounting policies adopted by the company in relation to the preparation of the financial statements, or the independence of the auditor in relation to the conduct of the audit, the Chairman will request a representative of CSR's auditor, Deloitte Touche Tohmatsu, to respond to such questions. Questions to the auditor must be received by no later than 5.00pm (Sydney time) on Thursday 4 July 2013. Please note that there may not be sufficient time at the AGM to respond to all topics raised. Individual responses will not be sent to shareholders.

Shareholder's Name: _____

Address: _____

Question(s):

Please tick (✓) the box if the question is directed to CSR's auditor.

1. _____

2. _____

3. _____

