

NOTICE OF ANNUAL GENERAL MEETING 2007

The Annual General Meeting of GWA International Limited ABN 15 055 964 380 will be held in The Grand Ballroom, Stamford Plaza Brisbane, Cnr Edward and Margaret Streets Brisbane on Thursday 25 October 2007 commencing at 10:30 am.

ORDINARY BUSINESS

Accounts

To receive and consider the Company's Financial Statements for the financial year ended 30 June 2007 together with the statement and report by the directors and the report by the auditor in relation thereto.

Election of Directors

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

1. That Mr Barry Thornton, who retires as a director of the Company in accordance with clause 11.3 of the Company's Constitution, be re-elected as a director of the Company.
2. That Mr Robert Anderson, who retires as a director of the Company in accordance with clause 11.3 of the Company's Constitution, be re-elected as a director of the Company.

Election of Mr Bill Bartlett as Director

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

3. That Mr Bill Bartlett, who retires as a director of the Company in accordance with clause 11.12 of the Company's Constitution, be re-elected as a director of the Company.

SPECIAL BUSINESS

Adoption of Remuneration Report

To consider the Remuneration Report as it appears in the Directors' Report for the year ended 30 June 2007, and if thought fit to pass, the following non-binding advisory resolution as an ordinary resolution in accordance with section 250R of the Corporations Act 2001 (Cth):

4. That the Remuneration Report for the year ended 30 June 2007 be approved.

Issue of Shares to Mr Peter Crowley pursuant to Employee Share Plan

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

5. That for the purpose of ASX Listing Rule 10.14, approval be and is hereby given for the issue at market price under the terms and conditions of the GWA International Employee Share Plan, of 250,000 fully paid ordinary shares to Mr Peter Crowley, Managing Director, the main terms of which are set out in the Explanatory Memorandum.

Note: The Company will disregard any votes cast on this resolution by Mr Crowley or any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Amendments to Constitution

To consider, and if thought fit to pass, the following resolution as a special resolution:

6. That the Company's Constitution be amended in the manner provided in the constitution tabled at the meeting and initialed by the Chairman for the purposes of identification, with effect from the close of this meeting.

Explanatory Memorandum

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed. Information is also presented in accordance with the requirements of the Corporations Act and the Listing Rules. Terms defined in the Explanatory Memorandum and used in this notice bear the same meaning as in the Explanatory Memorandum.

Voting Entitlements

The Board has determined that the entitlement of any person to vote at the meeting will be that person's entitlement as set out in the Company's register of members as at 7:00 pm on Tuesday 23 October 2007.

Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. A proxy need not be a member of the Company. A shareholder may appoint an individual or body corporate to act as its proxy. If a body corporate is appointed as proxy, the body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting. If two proxies are appointed, the appointment may specify the proportion or number of votes that the proxy may exercise. Otherwise, each proxy may exercise half the votes.



To be valid, the proxy (together with the original or a certified copy of any power of attorney under which the proxy is signed) must be received at:

- The Company's share registry - Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Vic, 3001 Australia. Facsimile: 61 3 9473 2555.
- The Company's registered office - GWA International Limited, Level 14, 10 Market Street, Brisbane, Qld, 4000 Australia.

by 10:30 am on Tuesday 23 October 2007, being not less than 48 hours before the time for holding the meeting.

A proxy form accompanies this notice of meeting.

By Order of the Board

R Thornton

Company Secretary

3 September 2007

EXPLANATORY MEMORANDUM

In this Explanatory Memorandum, the following terms have the following meanings:

"Company" means GWA International Limited
ABN 15 055 964 380

"director" means a director of the Company

"Constitution" means the Constitution of the Company

"Corporations Act" means the Corporations Act 2001 (Cth)

"Listing Rules" means the Listing Rules of the ASX Limited

Accounts

As required by section 317 of the Corporations Act, the Financial Statements for the financial year ended 30 June 2007 together with the statement and report by the directors and the report by the auditor will be laid before the meeting. Members will be provided with the opportunity to ask questions about the reports however there will be no formal resolution put to the meeting.

Ordinary Resolutions

Resolutions 1 - 5 (inclusive) are all ordinary resolutions and will require the support of at least 50% of the votes cast at the meeting in order that they be passed.

Resolution 6 is a special resolution and will require the support of at least 75% of the votes cast at the meeting in order that it be passed.

Resolutions 1 and 2 - Election of Mr Barry Thornton and Mr Robert Anderson as Directors

Mr Barry Thornton retires by rotation, is eligible for re-election and offers himself for re-election as a director.

Mr Robert Anderson retires by rotation, is eligible for re-election and offers himself for re-election as a director.

The profiles of Messrs Thornton and Anderson are outlined below:

Barry Thornton KJ FCA FAICD FAIM FCIS

Chairman and Non-Executive Director

Mr Thornton was appointed Non-Executive Chairman of GWA International Limited in 1992. Mr Thornton is a Fellow of the Institute of Chartered Accountants and has been involved with the Group in various capacities for over 30 years. He is an experienced company director with former directorships including Stockland Corporation Limited, Suncorp-Metway Limited, Queensland Cement & Lime Limited and Ports Corporation of Queensland and is the former Chairman of Brisbane Airport Corporation Limited. He is a member of the Brisbane Advisory Board of the Salvation Army. Mr Thornton is Chairman of the Nomination Committee and a member of the Audit Committee.

Robert Anderson

Non-Executive Director

Mr Anderson was appointed Non-Executive Director of GWA International Limited in 1992. Mr Anderson has been involved with the Group in various capacities for over 50 years, where he has gained extensive experience in management, investment and property matters.

Recommendation

The Board (with Messrs Thornton and Anderson abstaining) recommends that you support the resolutions re-electing Messrs Thornton and Anderson as directors of the Company.

Resolution 3 - Election of Mr Bill Bartlett as Director

In accordance with clause 11.12 of the Constitution, the Board appointed Mr Bartlett as Non-Executive Director on 21 February 2007. Under the Constitution, Mr Bartlett holds office until the next Annual General Meeting, when he must retire and is then eligible for re-election at the Annual General Meeting.

Mr Bartlett offers himself for re-election as a director. The profile of Mr Bartlett is outlined below:

Bill Bartlett FCA, CPA, FCMA, CA(SA)

Non-Executive Director

Mr Bartlett was appointed Non-Executive Director of GWA International Limited on 21 February 2007. Mr Bartlett is a Fellow of the Institute of Chartered Accountants, with over 35 years experience in accounting, and was a partner at Ernst & Young in Australia for 23 years, retiring on 30 June 2003. He is a director of a number of public corporations including Suncorp-Metway Limited, Reinsurance Group of America Inc (NYSE), Peptech Limited and Abacus Property Group. He is a director of the Bradman Foundation and Museum and Moneyswitch Limited. Mr Bartlett is a member of the Audit Committee.

Recommendation

The Board (with Mr Bartlett abstaining) recommends that you support the resolution re-electing Mr Bartlett as a director of the Company.

Resolution 4 - Adoption of Remuneration Report

This resolution is a requirement of section 250R of the Corporations Act.

Shareholders non-binding vote on the Remuneration Report

Section 250R of the Corporations Act requires that the Company's members vote on whether or not the Remuneration Report should be adopted. This vote is advisory only and the outcome will not be binding on the Board.

Prior to holding this vote, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the Remuneration Report.

What is included in the Remuneration Report?

The Remuneration Report includes information on how Company directors and certain executives are remunerated. More specifically, the report includes disclosure of all elements of the remuneration received by the Company's directors and the 5 most highly paid executives of the Company and the consolidated entity.

The report also includes a discussion of the Board's policy for determining executive remuneration and the relationship between the Board's policy for determining remuneration and the Company's performance.

In respect of executives whose remuneration is linked to performance conditions, the report contains:

1. A summary of the performance conditions that attach to each element of their remuneration.
2. An explanation of the relative proportions of those elements of their remuneration that are linked to performance conditions and those elements of their remuneration that are not.

In respect of executives who are employed under a contract, the report sets out the length of the contract, the notice period for terminating the contract and the amount of any termination payments payable under the contract.

Recommendation

The Board recommends that you support the resolution approving the Remuneration Report for the year ended 30 June 2007.

Resolution 5 - Issue of Shares to Mr Peter Crowley pursuant to Employee Share Plan

In conjunction with the Company's external remuneration consultant, the Board conducted a review of the remuneration arrangements for Mr Peter Crowley, Managing Director. Following the review process, the Board resolved to issue 250,000 employee shares to Mr Crowley under the terms and conditions of the GWA International Employee Share Plan ("Share Plan"), subject to shareholder approval at the next Annual General Meeting. Pursuant to ASX Listing Rule 10.14, the Company may not permit a director to acquire securities under an employee incentive scheme without shareholder approval. Shareholder approval is sought for the issue, at market price, of 250,000 fully paid ordinary shares to Mr Crowley under the terms and conditions of the Share Plan.

The main terms of the issue are:

1. The price of the shares offered to Mr Crowley under the Share Plan is the market price for GWA International Limited shares as reasonably attainable on the Australian Securities Exchange as at the date of issue of the shares, and certified by the Company's broker.
2. The Company will make a loan to Mr Crowley for the shares subscribed for under the Share Plan. The loan will be interest free, and the Company will not require Mr Crowley to provide security in respect of the repayment of the loan. The loan is repayable by Mr Crowley through dividend payments on the shares, and must be repaid early in certain circumstances (eg, where the shares subscribed for are sold, or where the employee ceases employment with the Company).
3. The loan to Mr Crowley under the Share Plan is full recourse, and continues to be repayable in full in the event that the GWA International Limited share price falls below the issue price of the shares to Mr Crowley.
4. The shares issued to Mr Crowley under the Share Plan will be ordinary shares and will rank pari passu in the capital of the Company.

The issue of the shares will occur no later than 12 months after the Annual General Meeting, and will form part of Mr Crowley's remuneration arrangements.

None of the other directors are entitled to participate in the Share Plan.

Recommendation

The Board (with Mr Crowley abstaining) recommends that you support the resolution approving the issue of 250,000 shares to Mr Crowley under the terms of the GWA International Employee Share Plan.

Special Resolution

Resolution 6 - Amendments to Constitution

The Company proposes to amend the Constitution as a result of changes to the law affecting companies. The current Constitution came into effect on 23 October 1998 and was a result of amendments to the Constitution adopted by the Company on 28 October 1994.

The proposed amendments update the Constitution to comply with the Corporations Act and the Listing Rules and reflect general changes in terminology. The amendments are:

Corporations Act

1. All references in the Constitution to the Corporations Law have been replaced with references to the Corporations Act as this is now the applicable law.
2. A number of definitions have been inserted to reflect the current law of the Corporations Act, the Listing Rules and the ASTC Settlement Rules as the laws and rules governing the Company and the processes in the Constitution.
3. The ability for members to transfer shares by any method permitted by the Corporations Act or the Listing Rules.
4. The indemnity provision for directors and officers has been widened to reflect the broader scope of coverage provided for directors and officers of a company under the Corporations Act.
5. The threshold percentage for the number of members who may demand a poll has been changed from 10% to 5%.
6. The threshold number of members required to requisition a meeting has been changed from being those members holding shares on which there has been a paid up sum of not less than \$200 per member, to be a minimum of 100 members who are entitled to vote at the meeting.
7. The ability for a member to be able to appoint a proxy by electronic form.
8. The removal of the age restriction on directors of 72, as this is no longer required by the Corporations Act.

Listing Rules

9. The requirements of the Listing Rules must be complied with and the Constitution is subject to the requirements.
10. All references to vendor securities have been removed in favour of the new term restricted securities.

ASTC Settlement Rules

11. The ASTC Settlement Rules govern the transfer of shares and have replaced the old SCH Business Rules.

General

A table of contents has been inserted to make it easier to negotiate the Constitution.

A copy of the amended Constitution is available from the Company's website at www.gwail.com.au

Recommendation

The Board recommends that you support the resolution amending the Constitution.