

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended 31 March 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission file number 1-15240

JAMES HARDIE INDUSTRIES plc

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Ireland

(Jurisdiction of incorporation or organization)

Europa House, 2nd Floor

Harcourt Centre

Harcourt Street, Dublin 2, D02, WR20, Ireland

(Address of principal executive offices)

Joseph C. Blasko

General Counsel & Company Secretary

(Contact name)

353 1411 6924 (Telephone)

353 1479 1128 (Facsimile)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of each class: | Trading Symbol: | Name of each exchange on which registered: |
|---|------------------------|---|
| Common stock, represented by CHESS Units of Foreign Securities | JHX | New York Stock Exchange* |
| CHESS Units of Foreign Securities | JHX | New York Stock Exchange* |
| American Depositary Shares, each representing one unit of CHESS Units of Foreign Securities | JHX | New York Stock Exchange |

* Listed, not for trading, but only in connection with the registered American Depositary Shares, pursuant to the requirements of the U.S. Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:
444,288,874 shares of common stock at 31 March 2021

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ **Yes** ☐ **No**

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ **Yes** ☒ **No**

Note — Checking the box will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ **Yes** ☐ **No**

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ **Yes** ☐ **No**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Emerging growth company

☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after 5 April 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

☒

International Financial Reporting Standards as issued by the International Accounting Standards Board

☐

Other

☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: ☐ Item 17 ☐ Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

2021
ANNUAL REPORT
ON FORM 20-F

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SECTION 1

INTRODUCTION

James Hardie Industries plc is a world leader in the manufacturing of fiber cement building solutions, and a market leader in Europe for fiber gypsum products. Our current primary geographic markets include the United States of America (“US,” “USA” or the “United States”), Australia, Europe, New Zealand, the Philippines and Canada.

James Hardie Industries plc is a “public limited company,” incorporated and existing under the laws of Ireland. Except as the context otherwise may require, references in this Annual Report on Form 20-F (this “Annual Report”) to “James Hardie,” the “James Hardie Group,” the “Company,” “JHI plc,” “we,” “our” or “us” refer to James Hardie Industries plc, together with its direct and indirect wholly owned subsidiaries as of the time relevant to the applicable reference.

For certain information about the basis of preparing the financial information in this Annual Report as well as an explanation of forward-looking statements and the risks, uncertainties and assumptions to which they are subject, see “Section 2 – Reading this Report.” Further, a “Glossary of Abbreviations and Definitions” has also been included under Section 4 of this Annual Report.

The term “fiscal year” refers to our fiscal year ended 31 March of such year; the term “dollars,” “US\$” or “\$” refers to US dollars; the term “A\$” refers to Australian dollars; and the term “EUR” or “€” refers to Euros.

Information contained in or accessible through the websites mentioned in this Annual Report does not form a part of this Annual Report unless we specifically state that it is incorporated by reference herein. All references in this Annual Report to websites are inactive textual references and are for information only.

INFORMATION ON THE COMPANY

History and Development of the Company

About James Hardie

James Hardie Industries plc is incorporated and existing under the laws of Ireland. As an Irish plc, we are governed by the Irish Companies Act 2014 and we operate under the regulatory requirements of numerous jurisdictions and organizations, including the Australian Securities Exchange ("ASX"), Australian Securities and Investments Commission ("ASIC"), the New York Stock Exchange ("NYSE"), the United States Securities and Exchange Commission ("SEC"), the Irish Takeover Panel and various other rulemaking bodies.

The address of our registered office in Ireland is Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland. The telephone number is +353 1411 6924. Our agent in the United States is CT Corporation. Its office is located at 28 Liberty Street - 42nd Floor, New York, New York 10005. The address of our registered office in Australia is Level 20, 60 Castlereagh Street, Sydney NSW 2000 and the telephone number is +61 2 9638 9205. Our share registry is maintained by Computershare Investor Services Pty Ltd. All inquiries and correspondence regarding holdings should be directed to: Computershare Investor Services Pty Ltd, Level 5, 115 Grenfell Street, Adelaide, SA 5000; telephone: +61 3 9415 4000 or toll free within Australia: 1300 855 080. Our American Depositary Receipt ("ADR") register is maintained by Deutsche Bank. All inquiries and correspondence regarding American Depositary Shares ("ADSs") should be directed to Deutsche Bank, 60 Wall Street, New York, New York 10005, United States; telephone 1-212-250-9100.

Our History

James Hardie was established in 1888 as an import business, listing on the ASX in 1951 to become a publicly owned company in Australia. After becoming a listed company, we built a diverse portfolio of building and industrial products. In the late-1970s, we pioneered the development of asbestos-free fiber cement technology and in the early-1980's began designing and manufacturing a wide range of fiber cement building products that made use of the benefits that came from the products' durability, versatility and strength. Using the technical and manufacturing expertise developed in Australia, we expanded into the United States, opening our first fiber cement plant in Fontana, California in February 1990. Since then, we have expanded our product portfolio and global footprint, with fiber cement manufacturing plants across the United States, Australia and the Philippines. In April 2018, we completed the acquisition of Fermacell, a market leader in fiber gypsum and cement-bonded boards in Europe.

Our Agreement with Asbestos Injuries Compensation Fund

Prior to 1987, ABN 60 Pty Limited (formerly James Hardie Industries Limited, then the ultimate parent company of the James Hardie Group) ("ABN 60") and two of its former subsidiaries, Amaca Pty Limited ("Amaca") and Amaba Pty Limited ("Amaba") (collectively, the "Former James Hardie Companies"), manufactured products in Australia that contained asbestos. The manufacture and sale of these products has resulted in liabilities for the Former James Hardie Companies in Australia.

In February 2007, our shareholders approved the Amended and Restated Final Funding Agreement ("AFFA") entered into on 21 November 2006 to provide long-term funding to Asbestos Injuries Compensation Fund ("AICF") for the compensation of proven Australian-related personal injuries for which the Former James Hardie Companies are found liable. AICF, an independent trust, subsequently assumed ownership of the Former James Hardie Companies. We do not own AICF, however, we are

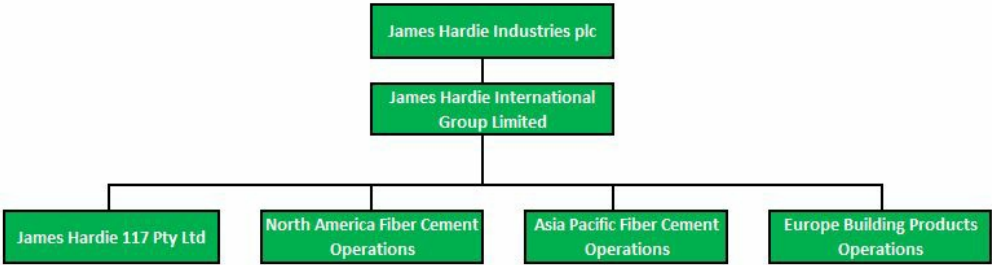
entitled to appoint three directors, including the Chairman, and the New South Wales (“NSW”) Government is entitled to appoint two directors.

Under the terms of the AFFA, James Hardie 117 Pty Ltd (the “Performing Subsidiary”) will make annual payments to AICF. The amount of these annual payments is dependent on several factors, including our free cash flow (as defined in the AFFA), actuarial estimations, actual claims paid, operating expenses of AICF, changes in the AUD/USD exchange rate and the annual cash flow cap. JHI plc owns 100% of the Performing Subsidiary and guarantees the Performing Subsidiary’s obligation. As a result, for US GAAP purposes, we consider JHI plc to be the primary beneficiary of AICF.

Although we have no legal ownership in AICF, for financial reporting purposes, our interest in AICF is considered variable and we consolidate AICF due to our pecuniary and contractual interests in AICF as a result of the funding arrangements outlined in the AFFA. For additional information on our consolidation of AICF and asbestos-related assets and liabilities, see Note 1 to our consolidated financial statements in Section 2.

Corporate Structure

The following diagram summarizes our corporate structure at 31 March 2021:



Business Overview

General Overview of Our Business

We are a world leader in the manufacture of fiber cement building materials. Based on net sales, we believe we are the largest manufacturer of fiber cement products and systems for external and internal building construction applications in the United States, Australia and the Philippines. We market our fiber cement products and systems under various brand names, such as HardiePlank®, HardiePanel®, HardieTrim® and HardieBacker®, and other brand names such as Aspyre Collection by James Hardie™, Artisan®, Reveal®, Cemplank®, Scyon® and Linea®. We are also a market leader in the European premium timber frame and dry lining business, especially in Germany, Switzerland and Denmark. We market our fiber gypsum and cement-bonded boards under the Fermacell® brand and our fire-protection boards under the AESTUVER® brand.

The Company currently has three operating segments: North America Fiber Cement, Asia Pacific Fiber Cement and Europe Building Products. See Notes 2 and 18 to our consolidated financial statements in Section 2 for a description of our operating segments and a breakdown of our net sales by operating segment and geographic market for each of our last three fiscal years.

Products

We manufacture fiber cement, fiber gypsum and cement bonded boards. Our fiber cement building materials includes a wide-range of products for both external and internal use across a broad range of applications, including external applications: siding, cladding, trim, soffit; and internal applications: walls, floors, ceilings. While there are some market specific products, our core fiber cement products, planks and flat panels are sold across all of the markets in which we operate. Our fiber gypsum and cement-bonded boards are used mainly for interior applications such as dry lining walls, walls in timber frame buildings and flooring solutions. In addition, our cement-bonded boards are used in exterior and industrial applications as well as for fire protection.

Products Used in External Applications

We developed a proprietary technology platform that enables us to produce thicker yet lighter-weight fiber cement products that are generally easier to handle than most traditional building products. Further, we believe that our fiber cement products provide certain durability and performance advantages leading to improved maintenance, while offering comparable aesthetics to competing products, such as wood, and superior aesthetics when compared to vinyl siding.

Performance and design advantages:

- Our fiber cement products exhibit resistance to the damaging effects of moisture, fire, impact and termites compared to natural and engineered wood and wood-based products;
- Competing products do not duplicate fiber cement aesthetics;
- Our fiber cement products provide the ability to imprint designs that closely resemble the patterns and profiles of traditional building materials such as wood and stucco;
- The surface properties of our products provide an effective paint-holding finish, especially when compared to natural and engineered wood products, allowing for greater periods of time between necessary maintenance and repainting; and
- Compared to masonry construction, fiber cement is lightweight, physically flexible and can be cut using readily available tools, making our products more appealing across a broad range of architectural styles, be it of timber or steel-framed construction.

We believe the benefits associated with our fiber cement products have enabled us to gain a competitive advantage over competing products.

Products Used in Internal Applications

Compared to natural and oriented strand board ("OSB") and wood-based products, we believe our product range for internal applications provide the same general advantages provided by our products for external applications. In addition, our fiber cement products for internal applications exhibit less movement in response to exposure to moisture and impact damage than many competing products, providing a more consistent and durable substrate on which to install tiles. Further, we believe our ceramic tile underlayment products exhibit better handling and installation characteristics compared to fiberglass mesh cement boards. We believe our fiber gypsum products offer superior stability, fire safety and sound insulation properties compared to OSB and gypsum plaster boards. Furthermore, we believe our fiber gypsum flooring solutions offer superior handling properties, especially in the modernization of existing buildings, compared to wet screed solutions.

Significant New Products

In North America, new products released over the last three years include Hydrodefense® HardieBacker® boards, expanded ColorPlus® Technology offering through the Dream Collection™ and Statement Collection™, and higher ventilation VentedPlus® HardieSoffit® boards.

In Asia Pacific, we have extended our product portfolio in both wood look and non-wood look exteriors. Over the last three years, the range of Linea®, Linea® Oblique and Stria® cladding products has been broadened to increase design versatility in line with modern design trends.

In Europe, new fiber cement products released over the past three years include HardieFoam™, a solution for install of HardieBacker®. In our Fermacell business, new products released over the last three years include AESTUVER® Tx board, a key milestone for our fire protection boards.

Principal Markets for Our Products

Fiber Cement

In the US and Canada, the largest application for fiber cement building products is in external siding for the residential building industry.

Competition in this market comes primarily from substitute products, such as natural wood or OSB, vinyl, stucco and brick. We believe we can continue to increase our market share from these competing products through targeted marketing programs designed to educate customers and homeowners on our brand and the performance, design and cost advantages of our products.

In the Asia Pacific region, we principally sell into the Australian, New Zealand and Philippines markets, with the residential building industry representing the principal market for fiber cement products. The largest applications of fiber cement across our three primary markets are in external applications: siding, cladding, trim, soffit; and internal applications: walls, floors, ceilings.

In Australia, competition from imports and two locally based fiber cement manufacturers continues to be strong. Additionally, we have competition from natural and engineered wood, wallboard, masonry and brick products. In New Zealand and the Philippines, competitor fiber cement imports continue as manufacturers look to supplement their primary operating environments with additional markets.

In Europe, our fiber cement building products are used in both residential and commercial building applications in external siding, soffits and internal tile underlayment for walls and floors.

Fiber Gypsum and Cement-Bonded Boards

James Hardie Europe's Fermacell brand products are sold into the residential repair and remodel, commercial and residential new construction markets. Fermacell brand of products comprise fiber gypsum and cement-bonded boards, two complementary products in the high performance board space, mainly used in timber frame construction, commercial dry lining projects and repair and remodel. Cement bonded boards are also used for several fire protection projects including tunnels.

Our key markets for Fermacell brand products in Europe include Germany, Switzerland, UK, Denmark, France, Belgium, Netherlands and Luxembourg, where we sell our products to residential and commercial new-build as well as to repair and remodel. In addition, our fire protection AESTUVER® boards are sold to projects worldwide.

Seasonality

We do not have significant seasonality, however our businesses typically follow activity levels in the building and construction industry.

Raw Materials

The principal raw materials used in the manufacture of our fiber cement products are cellulose fiber (wood-based pulp), silica (sand), Portland cement and water. The key raw materials used in the manufacture of our fiber gypsum products are gypsum, recycled paper and water. We have established supplier relationships for all of our raw materials across the various markets in which we operate, and we do not anticipate having difficulty in obtaining our required raw materials from these suppliers. The purchase price of these raw materials and other materials can fluctuate depending on the supply-demand situation at any given point in time.

We work hard to reduce the effect of both price fluctuations and supply interruptions by entering into contracts with qualified suppliers and through continuous internal improvements in both our products and manufacturing processes.

Cellulose Fiber

Reliable access to specialized and consistent quality pulp is critical to the production of fiber cement building materials. As a result of our many years of experience and expertise in the industry, we share our internal expertise with pulp producers in New Zealand, the United States, Canada and Chile to ensure they are able to provide us with a highly specialized and proprietary formula crucial to the reinforcing cement matrix of our fiber cement products. We have confidentiality agreements with our pulp producers, and we have obtained patents in the United States and in certain other countries covering certain unique aspects of our pulping formulas and processes that we believe cannot adequately be protected through confidentiality agreements. However, we cannot be assured that our intellectual property and other proprietary information will be protected in all cases. See "Section 3 – Risk Factors."

Silica

High purity silica is sourced locally by the various production plants. In the majority of locations, we use silica sand as a silica source. In certain other locations, however, we process quartz rock and beneficiate silica sand to ensure the quality and consistency of this key raw material.

Cement

Cement is acquired in bulk from local suppliers. We continue to evaluate options on agreements with suppliers for the purchase of cement that can lock in our cement prices over longer periods of time.

Water

We primarily use local water supplies and process all wastewater to comply with environmental requirements.

Gypsum

The primary types of gypsum used in the production of our fiber gypsum products are natural and synthetic gypsum. Natural gypsum is extracted and processed in Germany and Spain. Synthetic gypsum is obtained from power plants in Germany, Poland and the Netherlands. While synthetic gypsum will be phased out due to the coal power plant phase-out in the European Union, we are well positioned for the future with natural gypsum sources. In Germany, we have secured long-term contracts for the supply of natural gypsum and we have invested in a natural gypsum mine in Spain.

Recycled Paper

Recycled paper is generally acquired from local suppliers and we currently maintain long-term contracts with our key suppliers.

Sales, Marketing and Distribution

Our brand names, customer education in comparative product advantages, differentiated product range and customer service, including technical advice and assistance, provide the basis for our marketing strategy. In fiscal year 2022, the Company will be launching *It's Possible*[™], a global integrated marketing campaign that seeks to empower homeowners to realize their dream home. The campaign is inclusive of television commercials, programmatic digital, social media, public relations, influencer and dynamic media partnerships, and more.

We offer our customers support through a specialized sales force and customer service infrastructure in North America, Australia, New Zealand, the Philippines and Europe.

Our customer service infrastructure includes inbound customer service support coordinated nationally in each country, and is complemented by outbound telemarketing capability. Within each regional market, we provide sales and marketing support to building products dealers and lumber yards and also provide support directly to the customers of these distribution channels, principally homebuilders and building contractors.

We maintain dedicated regional sales management teams in our major sales territories who maintain relationships with national and other major accounts. Our various sales forces, which in some instances manage specific product categories, include skilled trades people who provide on-site technical advice and assistance.

In North America, we sell our exterior fiber cement products for repair and remodel and new residential construction through a combination of distributors, dealers and lumber yards. Where sales are to distributors, they then sell these products to dealers or lumber yards. Our interior fiber cement products in North America are typically sold through the large home center retailers and specialist distributors or dealers. Our products are distributed across North America primarily by road and, to a lesser extent, by rail.

In Australia and New Zealand, both new construction and repair and remodel products are sold through a combination of distributors, dealers and lumber yards. In the Philippines, a network of thousands of small to medium size retail outlets sell our fiber cement products to consumers, builders and real estate developers and DIY type stores. The physical distribution of our product in each country is primarily by road, rail or sea transport.

In Europe, both new construction and repair and remodel products are primarily sold to builder's merchants and DIY type stores. These customers then sell the products to applicators such as dry liners, timber frame companies, smaller applicators and end consumers. Our products are distributed across Europe primarily by road and rail and, to a lesser extent, by sea transport.

Despite the fact that distributors and dealers are generally our direct customers, we also aim to increase primary demand for our products by marketing our products directly to homeowners, architects and builders. We encourage them to specify and install our products because of the quality and craftsmanship of our products.

Geographic expansion of our fiber cement business has occurred in markets where framed construction is prevalent for residential applications or where there are opportunities to change building practices from masonry to framed construction. Expansion is also possible where there are direct substitution opportunities irrespective of the methods of construction. With the exception of our current major markets, as well as Japan and certain rural areas in Asia, and Eastern Europe, most markets in the world principally utilize masonry construction for external walls in residential construction. Accordingly, further geographic expansion depends substantially on our ability to provide alternative construction solutions and for those solutions to be accepted in those markets.

Dependence on Trade Secrets and Research and Development ("R&D")

We pioneered the successful development of cellulose reinforced fiber cement and, since the early-1980s, have progressively introduced products developed as a result of our proprietary product formulation and process technology. The introduction of differentiated products is one of the core components of our global business strategy. This product differentiation strategy is supported by our significant investment in R&D activities.

We view spending on R&D as the key to sustaining our existing product leadership position, by providing a continuous pipeline of innovative new products and technologies with sustainable performance and unique design advantages over our competitors. Further, through our investments in new process technology or by modifying existing process technology, we aim to keep reducing our capital and operating costs and to find new ways to make existing and new products. As such, we expect to continue allocating significant funding to these endeavors.

Our current patent portfolio is based mainly on fiber cement compositions, associated manufacturing processes and the resulting products. Our non-patented technical intellectual property consists primarily of our operating and manufacturing know-how and raw material and operating equipment specifications, all of which are maintained as trade secret information. We have enhanced our abilities to effectively create, manage and utilize our intellectual property and have implemented a strategy that increasingly uses patenting and trade secret protection to protect and increase our competitive advantage.

In addition, we have a variety of industrial, commercial and financial contracts relating to our proprietary manufacturing processes. While we are dependent on the competitive advantage that these items provide as a whole, we are not dependent on any one of them individually and do not consider any one of them individually to be material. We do not materially rely on intellectual property licensed from any outside third parties. However, we cannot assure that our intellectual property and other proprietary

information will be protected in all cases. In addition, if our R&D efforts fail to generate new, innovative products or processes, our overall profit margins may decrease and demand for our products may fall. See “Section 3 – Risk Factors.”

Governmental Regulation

As an Irish plc, we are governed by the Irish Companies Act 2014 and are also subject to all applicable European Union level legislation. We also operate under the regulatory requirements of numerous jurisdictions and organizations, including the ASX, ASIC, the NYSE, the SEC, the Irish Takeover Panel and various other federal, state, local and foreign rulemaking bodies. See “Section 3 – Constitution” for additional information regarding the Irish Companies Act 2014 and regulations to which we are subject.

Environmental, Health and Safety Regulation

Our operations and properties are subject to extensive federal, state, local and foreign environmental protection, health and safety laws, regulations and ordinances governing activities and operations that may have adverse environmental effects. As it relates to our operations, regulated material, including wastewater and air emissions, may be produced at some of our manufacturing plants. The wastewater produced from our manufacturing plants is internally recycled and reused before eventually being discharged to publicly owned treatment works, a process which is monitored by us, as well as by regulators. In addition, we actively monitor air emissions and other regulated materials produced by our plants so as to ensure compliance with the various environmental regulations under which we operate.

Some environmental laws provide that a current or previous owner or operator of real property may be liable for the costs of investigation, removal or remediation of certain regulated materials on, under, or in that property or other impacted properties. In addition, persons who arrange, or are deemed to have arranged, for the disposal or treatment of certain regulated materials may also be liable for the costs of investigation, removal or remediation of the regulated materials at the disposal or treatment site, regardless of whether the affected site is owned or operated by such person. Environmental laws often impose liability whether or not the owner, operator, transporter or arranger knew of, or was responsible for, the presence of such regulated materials. Also, third parties may make claims against owners or operators of properties for personal injuries, property damage and/or for clean-up associated with releases of certain regulated materials pursuant to applicable environmental laws and common law tort theories, including strict liability.

In the past, from time to time, we have received notices of alleged discharges in excess of our water and air permit limits. In each case, and in compliance with our Environmental Policy, we have addressed the concerns raised in those notices, in part, through enhanced administrative controls and/or capital expenditures intended to prevent future discharges in excess of permitted levels and, on occasion, the payment of minor associated fines.

Environmental compliance costs in the future will depend, in part, on continued oversight of operations, expansion of operations and manufacturing activities, regulatory developments and future requirements that cannot presently be predicted.

Organizational Structure

JHI plc is incorporated and domiciled in Ireland and the table below sets forth our significant subsidiaries, all of which are wholly-owned by JHI plc, either directly or indirectly, as of 30 April 2021.

| Name of Company | Jurisdiction of Establishment | Jurisdiction of Tax Residence |
|--|-------------------------------|-------------------------------|
| Farmacell B.V. | Netherlands | Netherlands |
| Farmacell Schraplau GmbH | Germany | Germany |
| James Hardie 117 Pty Ltd | Australia | Australia |
| James Hardie Australia Pty Ltd | Australia | Australia |
| James Hardie Building Products Inc. | United States | United States |
| James Hardie Europe B.V. | Netherlands | Netherlands |
| James Hardie Europe GmbH | Germany | Germany |
| James Hardie Europe Holdings GmbH | Germany | Germany |
| James Hardie Holdings Limited | Ireland | Ireland |
| James Hardie International Finance Designated Activity Company | Ireland | Ireland |
| James Hardie International Group Limited | Ireland | Ireland |
| James Hardie International Holdings Limited | Ireland | Ireland |
| James Hardie NL1 B.V. | Netherlands | Netherlands |
| James Hardie NL2 B.V. | Netherlands | Netherlands |
| James Hardie NZ Holdings Limited | New Zealand | New Zealand |
| James Hardie North America, Inc | United States | United States |
| James Hardie Philippines Inc | Philippines | Philippines |
| James Hardie Research Pty Ltd | Australia | Australia |
| JH Research USA, LLC | United States | United States |
| James Hardie Spain S.L.U. | Spain | Spain |
| James Hardie Technology Holdings 1 Limited | Ireland | Ireland |
| James Hardie Technology Holdings 2 Limited | Ireland | Ireland |
| James Hardie Technology Limited | Bermuda | Ireland |
| James Hardie U.S. Investments Sierra Inc. | United States | United States |
| RCI Holdings Pty Ltd | Australia | Australia |

Property, Plants and Equipment

We believe we have some of the largest and lowest cost fiber cement manufacturing plants across the United States, Australia and the Philippines, with our plants servicing both domestic and export markets. We also have six manufacturing plants in Europe. Our plants are ideally located to take advantage of established transportation networks, allowing us to distribute our products into key markets, while also providing easy access to key raw materials.

Manufacturing Capacity

At 31 March 2021, we had manufacturing facilities at the following locations:

| Plant Location | Owned / Leased | Nameplate Capacity (mmsf) ¹ |
|--------------------------------------|-------------------|---|
| United States fiber cement | | |
| Cleburne, Texas | Owned | 666 |
| Peru, Illinois | Owned | 560 |
| Plant City, Florida | Owned | 600 |
| Pulaski, Virginia | Owned | 600 |
| Reno, Nevada | Owned | 300 |
| Tacoma, Washington | Owned | 500 |
| Waxahachie, Texas | Owned | 360 |
| Fontana, California | Owned | 250 |
| Prattville, Alabama ² | Owned | 300 |
| Asia Pacific fiber cement | | |
| Rosehill, New South Wales, Australia | Owned | 180 |
| Carole Park, Queensland, Australia | Owned | 260 |
| Cabuyao City, Philippines | Owned | 172 |
| Europe fiber gypsum | | |
| Münchhof, Germany | Owned | 441 |
| Orejo, Spain | Owned | 275 |
| Wijchen, the Netherlands | Owned | 273 |
| Siglingen, Germany | Owned | 154 |
| Other | | |
| Calbe, Germany ³ | Owned | 41 |
| Schraplau, Germany ³ | Owned | N/A |

1 The calculated annual nameplate capacity in the United States, Europe and Asia Pacific is based on management's historical experience with our production process and is calculated assuming continuous operation, 24 hours per day, seven days per week, producing 5/16" medium density product at a targeted operating speed. No accepted industry standard exists for the calculation of our fiber cement, fiber gypsum and cement bonded board manufacturing facility nameplate, design and utilization capacities.

2 The first sheet machine in Prattville, Alabama was commissioned in Q4 of fiscal year 2021, with nameplate capacity of 300 mmsf. The second sheet machine is expected to be commissioned in July 2021, for a total nameplate capacity in Prattville, Alabama of 600 mmsf at the end of fiscal year 2022.

3 Our Calbe, Germany plant produces cement bonded boards. Our Schraplau, Germany facility is a raw materials processing facility for our fiber gypsum plants. As a result, no annual nameplate capacity is available.

We continually evaluate the capacity required to service the housing markets in which we operate to ensure we meet demand and achieve our market penetration objectives. For a discussion of significant active and recently completed capacity expansion projects, see "Capital Expenditures" below.

Management has determined that for measuring the annual design capacity of the fiber cement and fiber gypsum network, the calculation should incorporate our expected production based upon our historical experience with certain factors such as demand, product mix of varying thickness and density, batch size, plant availability, differing production speeds and downtime expectations.

Based on the methodology noted above, for the year ended 31 March 2021 and 2020, we had an annual fiber cement flat sheet design capacity of 4,180 mmsf and 4,330 mmsf in the United States, respectively, and 720 mmsf and 730 mmsf in Asia Pacific, respectively. For the years ended 31 March 2021 and 2020, we had an annual design capacity of 720 mmsf and 790 mmsf, respectively, for our European fiber gypsum plants. It is important to note that annual design capacity does not necessarily reflect the actual capacity utilization rates of our manufacturing facilities. Actual utilization is calculated using actual production, which is affected by factors such as demand, product mix, batch size, plant availability and production speeds. For fiscal year 2021, actual capacity utilization across our fiber cement and fiber gypsum plants was an average of 83%, 79% and 84% in the United States, Europe and Asia Pacific, respectively. For fiscal year 2020, actual capacity utilization across our fiber cement and fiber gypsum plants was an average of 79%, 77% and 90% in the United States, Europe and Asia Pacific, respectively.

Mines

In North America, we lease silica quartz mine sites in Tacoma, Washington and Reno, Nevada. The lease for our quartz mine in Tacoma, Washington expires in February 2022 (with additional options to renew). The lease for our silica quartz mine site in Reno, Nevada expires in January 2024. We also own property in Victorville, California which could be mined for silica. As of 30 April 2021, we have not begun to mine this site and have no immediate plans to do so.

As a mine operator in the US, we are required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), and rules promulgated by the SEC implementing that section of the Dodd-Frank Act, to provide certain information concerning mine safety violations and other regulatory matters concerning the operation of our mines. During fiscal year 2021, we did not receive any notices, citations, orders, legal action or other communication from the US Department of Labor’s Mine Safety and Health Administration that would necessitate additional disclosure under Section 1503(a) of the Dodd-Frank Act. Similarly, we have not experienced any mining-related fatalities in our mining operations. There are currently no pending legal actions before the Federal Mine Safety and Health Review Commission related to our mining operations.

Our Fermacell business has an operating license for a mining facility in Schraplau, Germany, however no active mining is being undertaken, or allowed with respect to the former owner FELS-WERKE GmbH, and the mine is only being used for storage of material. We also have an investment in a natural gypsum mine in Spain.

Capital Expenditures

We utilize a mix of operating cash flow and debt facilities to fund our capital expenditure projects and investments. We continuously invest in safety, equipment maintenance and upgrades, and capacity to ensure continued environmental compliance and operating effectiveness of our plants. The following table sets forth our capital expenditures for the three most recent fiscal years:

| | (Millions of US dollars) | | |
|-----------------------------------|--------------------------|-----------------|-----------------|
| | 2021 | 2020 | 2019 |
| North America Fiber Cement | \$ 76.8 | \$ 137.1 | \$ 246.8 |
| Asia Pacific Fiber Cement | 18.3 | 32.2 | 41.1 |
| Europe Building Products | 13.5 | 23.5 | 26.0 |
| Other Businesses | — | — | 1.5 |
| R&D and Corporate | 2.1 | 1.0 | 2.1 |
| Total Capital Expenditures | \$ 110.7 | \$ 193.8 | \$ 317.5 |

Significant active capital expenditures

At 31 March 2021, the following significant capital expenditures related to capacity projects remain in progress:

| Project Description | Approximate Investment (US millions) | Investment to date (US millions) | Project Start Date | Expected Commission Date | Expected Nameplate Capacity Increase (mmsf) ¹ |
|---------------------------------|--------------------------------------|----------------------------------|--------------------|--------------------------|--|
| Prattville Greenfield expansion | \$ 240.0 | \$ 233.8 | Q4FY18 | FY22 | 600 |

¹ The first sheet machine in Prattville, Alabama was commissioned in Q4 of fiscal year 2021, with nameplate capacity of 300 mmsf. The second sheet machine is expected to be commissioned in July 2021, for a total nameplate capacity in Prattville, Alabama of 600 mmsf at the end of fiscal year 2022.

Significant completed capital expenditure projects

The following is a list of significant capital expenditure projects we have invested in over the three most recent fiscal years:

| Project Description | Total Investment (US Millions) | Fiscal Year of Expenditure |
|----------------------------------|--------------------------------|----------------------------|
| Philippines capacity expansion | 18.0 | FY16 - FY19 |
| Tacoma Greenfield expansion | 147.0 | FY17 - FY20 |
| Carole Park Brownfield expansion | \$ 22.0 | FY19 - FY21 |

Capital Divestitures

During the three most recent fiscal years, we did not make any material capital divestitures. We do not consider the exit from our Penrose, New Zealand plant a material divestiture but a strategic decision to shift to an import sales model.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

James Hardie Executive Team

Our management is overseen by our executive team, whose members cover the key areas of finance, human resources, investor relations, legal, manufacturing, marketing, operations, production, R&D and sales.

Members of our management executive team at 30 April 2021 are:

Jack Truong BS, PhD

Chief Executive Officer

Age 58



Dr Jack G. Truong joined James Hardie as President of International Operations in April 2017. Dr Truong was announced Chief Executive Officer ("CEO") successor and appointed President and Chief Operating Officer with the responsibility of running the Company's global business in September 2018. He was officially appointed CEO in January 2019.

Dr Truong's ability to anticipate global market trends and deliver profitable revenue growth is evidenced by his extensive multinational and multisector business experience. Prior to James Hardie, Dr Truong was the President and Chief Executive Officer of leading home appliance manufacturer, Electrolux North America Inc, a \$5+ billion revenue and 14,000+ employee business at the time of his leadership.

Before joining Electrolux, Dr Truong enjoyed a successful 22-year career at 3M Company, where he held senior leadership roles throughout the United States, Europe and Asia-Pacific, including Vice President and General Manager of the Global Construction and Home Improvements Division and Global Office Supplies Division.

As an engineer and inventor himself – earning his PhD in chemical engineering from the Rensselaer Polytechnic Institute in New York – Dr Truong is the recipient of 11 U.S. patents and several international patents. Dr Truong also enjoys giving time to philanthropic causes and professional industry associations, receiving multiple accolades for his humanitarian work and business accomplishments.

Jason Miele BA

Chief Financial Officer
Age 44



Jason Miele was appointed as Chief Financial Officer (“CFO”) in February 2020. As CFO he oversees the Company’s overall financial activities, including accounting, tax, treasury, performance and competitor analysis, internal audit, financial operations, information systems, and investor and media relations.

Mr Miele has over 14 years of experience with James Hardie and has served in a number of important roles during his tenure, including most recently, as Vice President – Investor and Media Relations, a position he held from February 2017. In that role, Mr Miele had responsibility for overseeing James Hardie’s investor relations strategy and communicating James Hardie’s business strategy and its financial performance to various stakeholders including shareholders, investment analysts, and the financial media.

Prior to that, Mr Miele served in a variety of roles of increasing responsibility, in finance functions such as Treasury, Controllershship and Operational Finance, including reporting to the CFO as the Global Treasurer and later the Global Controller. Mr Miele has supported the James Hardie business during his tenure, working in multiple geographies including Dublin, Ireland, Amsterdam, Netherlands, Mission Viejo, California and Chicago, Illinois in the United States and most recently, Sydney, Australia.

Mr Miele has a Bachelor’s Degree from the University of California at Santa Barbara, where he graduated with a degree in Business Economics with an emphasis in Accounting.

Julie Katigan BA, MA

Chief Human Resources Officer
Age 54



Julie Katigan joined James Hardie as Chief Human Resources Officer (“CHRO”) in May 2019. As CHRO she has responsibility for the Company’s global human resource activities, including employee engagement, leadership and talent development and human resources strategy.

Most recently, Ms Katigan was the Senior Vice President, Human Resources for XPO Logistics’ Americas and Asia Pacific Supply Chain business unit, responsible for approximately 25,000 employees in 400 locations across the globe.

Prior to XPO Logistics, Ms Katigan held senior human resources leadership roles in both business partnering and specialty areas such as Talent Management and

Organizational Development, with well-established companies that included Colfax Corporation, Electrolux, Mead Johnson Nutrition and Ford Motor Company.

Ms Katigan has a Bachelor of Arts degree in English and a Master’s degree in Labor and Industrial Relations from Michigan State University.

Joe Blasko BSFS, JD

General Counsel, Chief Compliance Officer and Company Secretary

Age 54



Joe Blasko joined James Hardie as General Counsel and Chief Compliance Officer in June 2011 and was appointed Company Secretary in June 2020. Mr Blasko has responsibility for the Company's legal and regulatory compliance, corporate governance, enterprise risk management and government relations.

Before joining James Hardie, Mr Blasko was Assistant General Counsel, and later, the General Counsel at Liebert Corporation, an Emerson Network Power Systems company and wholly-owned subsidiary of Emerson Electric Co. In his four years with Liebert/Emerson, Mr Blasko was responsible for establishing the legal department in Columbus, Ohio, managing and overseeing all legal matters and working closely with the executive management team. In this role, Mr Blasko also had global responsibilities which required expertise across multiple jurisdictions.

From 2004 to 2006, Mr Blasko was Associate General Counsel at The Scotts Miracle-Gro Company, serving as the effective “general counsel” to numerous corporate divisions within the organization. From 1997 to 2004, Mr Blasko gained considerable regulatory and litigation expertise working at Vorys, Sater, Seymour and Pease LLP in Ohio.

Mr Blasko has a Juris Doctor from Case Western Reserve University in Cleveland, Ohio, USA and a Bachelor of Science in Foreign Service from Georgetown University, USA, with a specialty in International Relations, Law and Organizations.

Sean Gadd BEng, MBA

Executive Vice President – North America Commercial

Age 48



Sean Gadd joined James Hardie in 2004 as a Regional Engineering Manager for the Asia Pacific business, and progressed to Plant Manager for both the Carole Park and Rosehill facilities in Australia. Mr Gadd then moved to the US in 2006 to take the role of Manufacturing Manager for Trim and various manufacturing facilities across the US.

In 2009, Mr Gadd ran the US trim business for James Hardie with responsibility for both Manufacturing and Sales, followed by a brief assignment leading Supply Chain. In 2012, Mr Gadd was promoted to the role of Vice President of Sales for Western USA and Canada. Over the next year, his role was expanded to include the Midwest and Northeast of the USA.

Mr Gadd was appointed Executive General Manager in September 2013 with full responsibility for the Northern Division and in October 2015, he was appointed Executive Vice President, Markets and Segments, North America with responsibility for Strategic Marketing and Development. In December 2018, Mr Gadd was appointed Executive Vice President, North America Commercial with responsibility for sales, products, segments and marketing.

Mr Gadd has a Bachelor of Engineering in Manufacturing Management and an executive MBA from the Australian Graduate School of Management, Australia.

Robert Stefansic, BSc, MBA

Executive Vice President – North America, End-to-End Supply Chain

Age 59



Bob Stefansic joined James Hardie as Executive Vice President, North America, End-to-End Supply Chain in July 2020. In his role, Mr Stefansic is responsible for driving operational efficiencies and improvements across the supply chain, with emphasis on delivering business value via the Hardie Manufacturing Operating System. His direct responsibilities include manufacturing, supply chain and all central operations support functions.

Mr Stefansic held various Senior Operations leadership roles throughout his career prior to joining James Hardie. Most recently he was the Chief Operations Officer at Ingredion Incorporated, a \$6 billion leading ingredients supplier to the food and beverage industry. There he was responsible for all global operations including a

network of 50 manufacturing plants and supply chains across Asia, Europe, North America and South America. Additionally, he previously held manufacturing leadership roles at Valspar, General Chemical and Allied-Signal corporations.

Mr Stefansic is a graduate of the University of South Carolina, where he received an MBA and a Bachelor of Science degree in Chemical Engineering.

Johnny Cope, BA

Senior Vice President – North America Sales

Age 53



Johnny Cope joined James Hardie in February 2019 as the Senior Vice President, North America Sales with responsibility for delivering the James Hardie value proposition, trusted brand and products, best-in-class supply chain and technical service framework to the Company's most valued customers.

Mr Cope has 25 years of industry experience serving Dealers, Distributors, Builders and Contractors. For the decade prior to this role, he was responsible for the Builder/Contract business for Electrolux Major Appliances North America.

For the 10 years before joining Electrolux, Mr Cope had multiple Builder/Contract roles in the Appliance division of the General Electric Company. During the last

6 years at GE, he was responsible for the Contract Appliance's South West Contract Region of the United States.

Mr Cope has a Bachelor's Degree from Texas Tech University, where he graduated with a degree in Business Administration with an emphasis on Marketing.

Ryan Kilcullen BSc, MS

Senior Vice President – North America Supply Chain Operations

Age 40



Ryan Kilcullen joined James Hardie in 2007 as a Pcl/Pdl Engineer. Since then, he has worked for the Company in various manufacturing and supply chain roles including Process Engineer, Production Manager, and Supply Chain Engineer. In 2012, he became Supply Chain Manager, ColorPlus® Business Unit, responsible for the end-to-end design and performance of our ColorPlus® product line supply chain. In 2013, he became responsible for North American Supply Chain operations, with responsibilities that included Procurement, Network Planning, Production Planning, Transportation, Distribution Management, Customer Service, and Inside Sales. In June 2015, he was appointed Vice President – Central Operations, responsible for the Company's Supply Chain Operations and Centralized Manufacturing functions.

In August 2016, he was appointed Executive Vice President – North America Operations, responsible for the Company's Supply Chain, Manufacturing, Engineering and Environmental, Health & Safety Operations.

Mr Kilcullen has a Bachelor of Science in Industrial Engineering from Rensselaer Polytechnic Institute and a Master of Engineering in Logistics from Massachusetts Institute of Technology.

Jörg Brinkmann MS, PhD

General Manager, Europe

Age 42



Dr Jörg Brinkmann joined James Hardie as General Manager, Europe in April 2018 as part of the Fermacell GmbH acquisition. In this role he is responsible for running the Company's European activities, which are headquartered in Düsseldorf, Germany.

Before joining James Hardie, Dr Brinkmann held several German as well as international leadership roles in Sales and Marketing at the Xella Group (the former owner of the Fermacell business) starting in 2005. In 2014 he was appointed CEO of the former Fermacell Company with responsibility for the entire business. Under his leadership, the company achieved significant profitable growth.

Dr Brinkmann holds a Masters degree ("Diplom-Kaufmann") from the University of Duisburg-Essen as well as a PhD from the University of Hohenheim, Germany.

Board of Directors

James Hardie's non-executive directors have widespread experience, spanning general management, finance, manufacturing, marketing and accounting. Each non-executive director also brings valuable international experience that assists with James Hardie's growth. For additional information, see "Section 1 - Corporate Governance Report" of this Annual Report.

Members of the Board of Directors (the "Board") at 30 April 2021 are:

Michael Hammes BS, MBA

Age 79



Michael Hammes was elected as an independent non-executive director of James Hardie in February 2007. He was appointed Chairman of the Board in January 2008 and is a member of the Remuneration Committee and the Nominating and Governance Committee.

Experience: Mr Hammes has extensive commercial experience at a senior executive level. He has held a number of executive positions in the medical products, hardware and home improvement, and automobile sectors, including CEO and Chairman of Sunrise Medical, Inc. (2000-2007), Chairman and CEO of Guide Corporation (1998-2000), Chairman and CEO of Coleman Company, Inc. (1993-1997), Vice Chairman of Black & Decker Corporation (1992-1993) and

various senior executive roles with Chrysler Corporation (1986-1990) and Ford Motor Company (1966-1986).

Directorships of listed companies in the past five years Former – Director of Navistar International Corporation (1996-2017); Director of DynaVox Mayer-Johnson (2010-2016).

Other: Resident of the United States.

Last elected: August 2018

Term expires: August 2021

David D. Harrison BA, MBA, CMA

Age 74



David Harrison was appointed as an independent non-executive director of James Hardie in May 2008. He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Experience: Mr Harrison is an experienced company director with a finance background, having served in corporate finance roles, international operations and information technology for 22 years with Borg Warner/General Electric Co. His previous experience includes 10 years at Pentair, Inc., as Executive Vice President and CFO (1994-1996 and 2000-2007) and Vice President and CFO roles at Scotts, Inc. and Coltec Industries, Inc. (1996-2000).

Directorships of listed companies in the past five years: Current – Director of National Oilwell Varco (since 2003).

Other: Resident of the United States.

Last elected: August 2019

Term expires: August 2022

Andrea Gisle Joosen MSc, BSc

Age 57



Andrea Gisle Joosen was appointed as an independent non-executive director of James Hardie in March 2015. She is a member of the Audit Committee.

Experience: Ms Gisle Joosen is an experienced former executive with extensive experience in marketing, brand management and business development across a range of different consumer businesses. Her former roles include Chief Executive of Boxer TV Access AB in Sweden and Managing Director (Nordic region) of Panasonic, Chantelle AB and Twentieth Century Fox. Her early career involved several senior marketing roles with Procter & Gamble and Johnson & Johnson.

Directorships of listed companies in the past five years: Current – Director of BillerudKorsnas AB (since 2015); Director of Dixons Carphone plc (since 2014); Director of ICA Gruppen AB (since 2010). Former – Director of Mr Green AB (2015 - 2019).

Other: Director of Logent AB (since 2019); Director of Qred AB (since 2019); Director of Acast AB (since 2018); Director of Neopitch AB (since 2004); resident of Sweden.

Last elected: August 2018

Term expires: August 2021

Persio V. Lisboa BS

Age 55



Persio Lisboa was appointed as an independent non-executive director of James Hardie in February 2018. He is a member of the Remuneration Committee and the Nominating and Governance Committee.

Experience: Mr Lisboa has extensive senior executive experience. He currently serves as President and Chief Executive Officer of Navistar, Inc. (Navistar), a leading manufacturer of commercial trucks, buses, defense vehicles and engines, a position he has held since July 2020. Prior to that position, Mr Lisboa served as the Executive Vice President and Chief Operating Officer of Navistar from March 2017 to July 2020. Prior to that, Mr Lisboa served as President, Operations of Navistar from November 2014 to March 2017. Prior to that, Mr Lisboa served as

Senior Vice President, Chief Procurement Officer of Navistar from December 2012 to November 2014, as Vice President, Purchasing and Logistics and Chief Procurement Officer of Navistar from October 2011 to November 2012, and as Vice President, Purchasing and Logistics of Navistar from August 2008 to October 2011. Prior to these positions, Mr Lisboa held various management positions within Navistar's North American and South American operations. Mr Lisboa began his career at Maxion International Motores Brasil, followed by a move to International Engines Argentina S.A., and then to MWM-International South America.

Directorships of listed companies in the past five years: Former - Director of Broadwind Energy, Inc. (2016-2018).

Other: Resident of the United States.

Last elected: August 2018

Term expires: August 2021

Anne Lloyd, BS, CPA

Age 59



Anne Lloyd was appointed as an independent non-executive director of James Hardie in November 2018. She is Chair of the Audit Committee and a member of the Remuneration Committee.

Experience: Ms Lloyd, an experienced corporate and finance executive, served as Chief Financial Officer of Martin Marietta Materials, Inc. a leading supplier of aggregates and heavy building materials, for over 12 years from June 2005 until her retirement in August 2017. She joined Martin Marietta in 1998 as Vice President and Controller and was promoted to Chief Accounting Officer in 1999. She was subsequently appointed Treasurer (2006-2013) and promoted to Executive Vice President in 2009. Earlier in her career, Ms Lloyd spent 14 years with Ernst & Young

LLP (1984-1998), latterly as a senior manager and client service executive for the natural resources, mining, insurance and healthcare industries.

Directorships of listed companies in the past five years: Current - Director of Insteel Industries, Inc (since April 2019); Director of Highwoods Properties, Inc. (since 2018). Former - Director of Terra Nitrogen Company, L.P. (2009-2018).

Other: Resident of the United States.

Last elected: August 2019

Term expires: August 2022

Moe Nozari BA, MS, PhD and Postdoctoral Research Fellow

Age 78



Dr Moe Nozari was appointed as an independent non-executive director of James Hardie in November 2019. He is a member of the Nominating and Governance Committee.

Experience: Dr Nozari worked at 3M for thirty eight years. Latterly, he served as an Executive Vice President of Consumer and Office Business at 3M Company, from 2002 until his retirement from 3M in July 2009. Prior to that he served as an Executive Vice President of Consumer and Office Markets at 3M Company from 1999 to 2002 and served as its Group Vice President of Consumer and Office Markets Group from 1996 to 1999. Dr Nozari joined 3M, in the Central Research Laboratories in 1971 and advanced to the position of Technical Director of the Photographic Products Division.

After a succession of managerial and business responsibilities in 1986 he was named a Division Vice President, then a Group Vice President in 1996. While at 3M his focus was on the development of new products, brands, identification, and development of people.

Other: Resident of the United States.

Last elected: August 2020

Term expires: August 2023

Rada Rodriguez MSc

Age 62



Rada Rodriguez was appointed as an independent non-executive director of James Hardie in November 2018. She is a member of the Nominating and Governance Committee.

Experience: Ms Rodriguez serves as Chief Executive Officer of Signify DACH, part of the Signify Group, a world leader in connected LED lighting systems, software and services, since May 2021. She previously served as Chief Executive Officer of Schneider Electric GmbH, part of Schneider Electric Group, a global energy management and automation company and served as Senior Vice President, Corporate Alliances until 2021. On joining the company in 1999, she held a

progression of senior roles including Head of International Research and Development for Schneider Electric Sweden, and Senior Vice President and Zone President, Central and Eastern Europe. Prior to joining Schneider Electric GmbH, she worked at Lexel Group (later acquired by Schneider) and before that she worked for 5 years at Colasit Scandinavia AB, a Swiss industrial machinery manufacturer. She started her career with K-Konsult AB, a Swedish technical consulting firm with a focus on installation technology where she worked for 5 years as a design engineer.

Directorships of listed companies in the past five years: Former – Director of Eltel AB (2015-2017).

Other: Director of Messe Berlin GmbH (since 2019); Director of ZVEI (since 2014); resident of Germany.

Last elected: August 2019

Term expires: August 2022

Suzanne B Rowland MS, BS

Age 59



Suzanne B Rowland was appointed as an independent non-executive director of James Hardie in February 2021. She is a member of the Audit Committee.

Experience: Ms Rowland has a diverse set of functional experiences and brings business leadership experience across a wide range of complex global specialty materials and industrial businesses. She most recently served as Group Vice President of the Industrial Specialties business at Ashland Global Holdings Inc. from 2016 to 2019 where she aligned commercial and asset strategies and drove focused execution resulting in profitable growth.

Prior to this, Ms Rowland served in separate Vice President and General Manager roles in Tyco International between 2009 and 2015. During this time in multiple divisions of the company, she led significant improvement in customer relationships, market position, and operational execution. Before joining Tyco International, Ms Rowland worked for Rohm and Haas Company for over twenty years, where she also held multiple senior executive roles.

Directorships of listed companies in the past five years: Current – Director of Sealed Air Corporation (since 2020); Director of SPX Flow, Inc. (since 2018); Director of L.B. Foster Co. (since 2008).

Other: Resident of the United States.

Last elected: Ms Rowland will be standing for election at the August 2021 Annual General Meeting.

Dean Seavers MBA, BBA

Age 60



Dean Seavers was appointed as an independent non-executive director of James Hardie in February 2021. He is a member of the Audit Committee.

Experience: Mr Seavers is a seasoned senior leader of transformation and turnaround strategies and currently serves as Chairman of Pacific Gas & Electric Utility. Mr Seavers most recently served as President and Executive Director of National Grid plc's U.S. business, in which he led a fundamental business transformation with a focus on improving financial performance, safety and employee engagement. Prior to holding this position, Mr Seavers served in senior executive positions at Red Hawk Fire & Security LLC, United Technologies Fire &

Security Corp. and GE Security and spent seven years with Tyco International, holding multiple senior operating roles. During this time, Mr Seavers advanced through learning and applying best in class operating systems and tools such as Lean and Six Sigma. Earlier in his career, Mr Seavers worked at Ford Motor Company and PepsiCo Inc., which led him to an entrepreneurial opportunity as Managing Director and co-owner of Flex-Tech Communications.

Directorships of listed companies in the past five years: Current – Director of PG&E Corporation (since 2020); Chairman and Director of Pacific Gas & Electric Utility (since 2020); Director of Albemarle Corporation (since 2018). Former – Director of National Grid plc (2015-2020).

Other: Resident of the United States.

Last elected: Mr Seavers will be standing for election at the August 2021 Annual General Meeting.

Nigel Stein CA, BSc

Age 65



Nigel Stein was appointed as an independent non-executive director of James Hardie in May 2020. He is the Chairman of the Nominating and Governance Committee and is a member of the Audit Committee.

Experience: Mr Stein has extensive experience in the global automotive and manufacturing sectors. He currently serves as Chairman of Inchcape plc (Inchcape), an automotive distribution, retail and financing company, a position he has held since May 2018. Mr Stein joined Inchcape as a non-executive director in October 2015.

Prior to holding this position, Mr Stein served as Chief Executive Officer of GKN plc

(GKN) from January 2012 to December 2017. He joined the automotive and aerospace components supplier in 1994 and during his time with GKN held various senior positions in general management and finance including six years as Group Chief Financial Officer. Earlier in his career, Mr Stein held senior finance positions with Laird plc and Hestair plc. From 2003 until 2011, he served as an independent non-executive director on the Board of Ferguson (formerly Wolseley) plc, the leading specialist distributor of plumbing and heating products in North America and the UK. Mr Stein is a member of the Institute of Chartered Accountants of Scotland.

Directorships of listed companies in the past five years: Current – Director of Inchcape plc (since 2015). Former – Director of GKN plc (2001-2017).

Other: Resident of the United Kingdom.

Last elected: November 2020

Term expires: August 2023

Harold Wiens BS

Age 74



Harold Wiens was appointed as an independent non-executive director of James Hardie in May 2020. He is a member of the Remuneration Committee.

Experience: Mr Wiens worked at 3M Company (3M) for thirty-eight years. He served as Executive Vice President, Industrial Business and Transportation Business from 1998 until his retirement from 3M in 2006. It is 3M's largest and most diverse business serving many different end markets ranging from electronic to automotive and aerospace manufacturing. During this time, Mr Wiens restructured the business, leading a global implementation of Six Sigma that drove significant international growth.

Prior to holding this position, Mr Wiens served as Executive Vice President, Sumitomo 3M, 3M's largest subsidiary, headquartered in Tokyo, Japan, from 1995 to 1998 and served as Data Storage Business Leader and Vice President from 1988 to 1995 and as Memory Technologies Group Manufacturing Manager from 1983 to 1988. Mr Wiens began his career with 3M in 1968 and held many positions of increasing responsibility over his first fifteen years with 3M.

Directorships of listed companies in the past five years: Current – Director of Bio-Techne Corporation (since 2014).

Other: Resident of the United States.

Last elected: November 2020

Term expires: August 2023

Remuneration Report

This Remuneration Report describes the executive remuneration philosophy, programs and objectives of the Remuneration Committee and the Board of Directors (the "Board"), as well as the executive remuneration plans and programs implemented by James Hardie.

We are not required to produce a remuneration report under applicable Irish, Australian or US rules or regulations. However, taking into consideration our significant Australian and US shareholder bases and our primary listing on the Australian Securities Exchange ("ASX"), we have voluntarily produced a remuneration report consistent with those provided by similarly situated companies for non-binding shareholder approval since 2005.

This Remuneration Report outlines the key remuneration plans and programs and share ownership information for our Board of Directors and certain of our senior executive officers (Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the other three highest paid executive officers based on total compensation that was earned or accrued for fiscal year 2021) ("Senior Executive Officers") in fiscal year 2021, and also includes an outline of the key changes for fiscal year 2022. Further details of these changes are set out in the 2021 Notice of Annual General Meeting ("AGM").

For fiscal year 2021, our senior executive officers are:

- Dr Jack Truong, Chief Executive Officer;
- Jason Miele, Chief Financial Officer;
- Sean Gadd, Executive Vice President, North America Commercial;
- Joe Blasko, General Counsel and Chief Compliance Officer; and
- Ryan Kilcullen, Senior Vice President – North America Supply Chain Operations.

This Remuneration Report has been adopted by our Board on the recommendation of the Remuneration Committee.

EXECUTIVE SUMMARY

Fiscal Year 2021 Business Highlights¹

Our operating results for fiscal year 2021 reflected strong and disciplined financial performance, highlighted by adjusted net income of US\$458 million and adjusted earnings before interest and taxes ("EBIT") of US\$629 million, an increase of 30% and 29%, respectively, compared to fiscal year 2020. In addition, we achieved net sales of US\$2.9 billion, an increase of 12% compared to fiscal year 2020, and US\$1.03 adjusted diluted earnings per share.

The following graphs show our performance for key financial measures during fiscal year 2021, with a comparison to prior corresponding periods:



¹ Please see the "Glossary of Abbreviations and Definitions" in Section 4 of this Annual Report for a reconciliation of non-GAAP financial measures used in this Remuneration Report to the most directly comparable US GAAP financial measure.

Fiscal Year 2021 Compensation Highlights

Our fiscal year 2021 compensation continued to reflect and promote our pay-for-performance philosophy and our stated goal to position Senior Executive Officer fixed base salary and benefits at the median and total target direct remuneration (comprising fixed and target variable remuneration) at the 75th percentile of our Peer Group (defined herein), if stretch short- and long-term target performance goals are met.

The following is a summary of the key aspects and events that occurred relative to the Company's remuneration policies, programs and arrangements during the course of fiscal year 2021:

- The core plan design for the FY2021 Company Performance Plan ("CP Plan") or Individual Performance Plan ("IP Plan") did not change. The CP Plan continues to measure both Growth and Returns when assessing Company performance and shareholder value creation. However, in the unprecedented and unpredictable market conditions related to the COVID-19 pandemic, we simplified the plan metrics, and strengthened the connection between consistent revenue growth and strong returns. A complete description of the CP Plan for fiscal year 2021 is set out in the section titled "Incentive Arrangements" later in this Remuneration Report.
- No changes were made to the design of the Long-Term Incentive ("LTI") Plan for fiscal year 2021. The LTI plan remains similar to the fiscal year 2020 plan with updated financial targets. A complete description of the LTI program, including the applicable performance hurdles, is set out in the section titled "Incentive Arrangements" later in this Remuneration Report.

Fiscal Year 2021 Total Target Compensation

Remuneration packages for Senior Executive Officers reflect our remuneration philosophy and comprise a mixture of fixed base salary, benefits and variable performance-based incentives. The Remuneration Committee seeks to appropriately balance fixed and variable remuneration in order to align our total compensation structure with our pay-for-performance philosophy. The following chart summarizes total target compensation awarded to each Senior Executive Officer in fiscal year 2021:

| Summary of Fiscal Year 2021 Senior Executive Officer Target Compensation | | | | |
|--|----------------------------------|--------------------------------|--------------------------------|---|
| Senior Executive Officer | FY2021 Annual Base Salary (US\$) | FY2021 STI Target Value (US\$) | FY2021 LTI Target Value (US\$) | FY2021 Total Target Compensation (US\$) |
| J Truong | 900,000 | 1,125,000 | 3,475,000 | 5,500,000 |
| J Miele | 416,000 | 249,600 | 450,000 | 1,115,600 |
| S Gadd | 577,830 | 346,698 | 800,000 | 1,724,528 |
| J Blasko | 459,900 | 275,940 | 500,000 | 1,235,840 |
| R Kilcullen | 380,544 | 228,326 | 400,000 | 1,008,870 |

Results of 2020 Remuneration Report Vote

In November 2020, our shareholders were asked to cast a non-binding advisory vote on our remuneration report for the fiscal year ended 31 March 2020. Although we are not required under applicable Irish, Australian or US laws or regulations to provide a shareholder vote on our executive remuneration practices, the Board believes that it is important to engage shareholders on this important issue and we have voluntarily submitted our remuneration report for non-binding shareholder approval on an annual basis since 2005 and currently intend to continue to do so.

At our 2020 Annual General Meeting, our shareholders approved our remuneration report, with 97.5% of the votes cast in support of our remuneration program. The Remuneration Committee considered the results of this advisory vote, together with investor feedback and other factors and data associated with strategic priorities discussed in this Remuneration Report, in determining our executive remuneration policies, objectives and decisions and related shareholder engagement efforts for fiscal year 2021.

APPROACH TO SENIOR EXECUTIVE REMUNERATION

Remuneration Philosophy

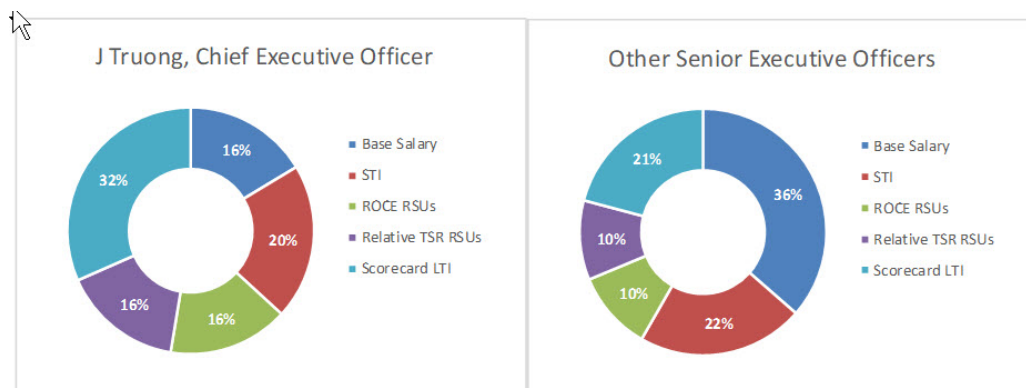
As our main business and all of our Senior Executive Officers are located in the US, our remuneration philosophy is to provide our Senior Executive Officers with an overall package that is competitive with Peer Group companies exposed to the US housing and consumer durables market. Within this philosophy, the executive remuneration framework emphasizes operational excellence and shareholder value creation through incentives that link executive remuneration with the interests of shareholders. Our remuneration plans and programs are structured to enable us to: (i) attract and retain talented executives; (ii) reward outstanding individual and corporate performance; and (iii) align the interests of our executives to the interests of our shareholders, with the ultimate goal of improving long-term value for our shareholders. This pay-for-performance system continues to serve as the framework for executive remuneration, aligning the remuneration received with the performance achieved.

Composition of Remuneration Packages

In line with our remuneration philosophy, our goal is to position Senior Executive Officer fixed base salary and benefits at the median and total target direct remuneration (comprising fixed and target variable remuneration) at the 75th percentile of our Peer Group, if stretch short- and long-term target performance goals are met. Performance goals for target variable performance-based incentive remuneration are set with the expectation that we will deliver results in the top quartile of our Peer Group. Performance below this level will result in variable remuneration payments below target (and potentially zero for poor performance). Performance above this level will result in variable remuneration payments above target.

Relative Weightings of Fixed and Variable Remuneration

The charts below detail the relative weightings of fixed versus variable remuneration for the CEO and other Senior Executive Officers for fiscal year 2021. Fixed remuneration includes base salary and variable remuneration is comprised of target Short-Term Incentive ("STI") awards and the following three LTI components: (i) Relative Total Shareholder Return ("TSR") Restricted Stock Units ("RSUs"); (ii) Return on Capital Employed ("ROCE") RSUs; and (iii) Scorecard LTI at target, each of which are discussed in more detail in this Remuneration Report.



Setting Remuneration Packages

Remuneration decisions are based on the executive remuneration philosophy and framework described in this Remuneration Report. The Remuneration Committee reviews and the Board approves this framework each year.

Remuneration packages for Senior Executive Officers are evaluated each year to make sure that they continue to align with our compensation philosophy, are competitive with our Peer Group and developments in the market, and continue to support our business structure and objectives. In making decisions regarding individual Senior Executive Officers, the Remuneration Committee takes into account both the results of an annual remuneration positioning review provided by the Remuneration Committee's independent advisers and the Senior Executive Officer's responsibilities and performance.

All aspects of the remuneration package for our CEO and CFO are determined by the Remuneration Committee and ratified by the Board. All aspects of the remuneration package for the remaining Senior Executive Officers are determined by the Remuneration Committee on the recommendation of the CEO.

Remuneration Committee Governance

The remuneration program for our Senior Executive Officers is overseen by our Remuneration Committee, the members of which are appointed by the Board. As prescribed by the Remuneration Committee Charter, the duties of the Remuneration Committee include, among other things: (i) administering and making recommendations on our incentive compensation and equity-based remuneration plans; (ii) reviewing the remuneration of directors; (iii) reviewing the remuneration framework for the Company; and (iv) making recommendations to the Board on recruitment, retention and termination policies and procedures for senior management. The current members of the

Remuneration Committee are David Harrison (Chairman), Michael Hammes, Persio Lisboa, Anne Lloyd and Harold Wiens, all of whom are independent non-executive directors. A more complete description of these and other Remuneration Committee functions is contained in the Remuneration Committee's Charter, a copy of which is available in the Corporate Governance section of the Investor Relations page on our website (www.ir.jameshardie.com.au).

Summary of Executive Compensation Practices

The following table summarizes certain of the key governance practices employed by the Remuneration Committee relative to our executive compensation practices, including those practices which we believe are important drivers of both short- and long-term corporate performance and those practices which we believe are not aligned with the long-term interests of our shareholders:

| Compensation Practices We Employ | |
|--|---|
| ✓ Retain independent compensation advisers reporting directly to the Remuneration Committee | ✗ Prohibition on hedging of stock held by executives and directors |
| ✓ Pay for performance model, with approximately 84% of our CEO's total target compensation being performance-based "at risk" compensation and an average of approximately 66% total target compensation being performance-based "at risk" compensation for our other Senior Executive Officers | ✗ Limited employment agreements and severance arrangements |
| ✓ Circuit breaker on annual STI awards to ensure that no annual incentive awards are paid unless minimum NA growth and corporate performance levels are achieved | ✗ Limited change-in-control benefits |
| ✓ Set share ownership requirements for all directors and Senior Executive Officers | ✗ No dividends paid on unvested equity awards |
| ✓ Broad clawback policy on performance-based compensation | ✗ Limited perquisites and other benefits |
| ✓ Set performance-based vesting conditions for all equity grants to Senior Executive Officers | ✗ No annual time-based LTI equity grants to Senior Executive Officers |
| ✓ Provide the Remuneration Committee with ability to exercise "negative" discretion when determining the vesting and payout of our LTI programs | ✗ No excessive retirement or deferred compensation arrangements |

Remuneration Advisers

As permitted by the Remuneration Committee Charter, the Remuneration Committee retained Aon Hewitt (in the US) and Guerdon Associates (in Australia) as its independent advisers for matters regarding remuneration for fiscal year 2021. The Remuneration Committee reviews the appointment of its advisers each year. Both Aon Hewitt and Guerdon Associates provided the Remuneration Committee with written certification during fiscal year 2021 to support their re-appointment. In those certifications, the advisers: (i) confirmed that their pay recommendations were made without undue influence from any member of our management; and (ii) provided detailed responses to the six independence factors a Remuneration Committee should consider under relevant NYSE rules, and confirmed their independence based on these factors.

The Remuneration Committee reviewed these certifications before re-appointing each adviser for fiscal year 2022.

Benchmarking Analysis

To assist the Remuneration Committee in making remuneration decisions, the Remuneration Committee evaluates the remuneration of our Senior Executive Officers against a designated set of companies (the “Peer Group”). The Peer Group, which is reviewed by the Remuneration Committee on an annual basis, consists of companies that are similar to us in terms of certain factors, including size, industry, and exposure to the US housing market. The Remuneration Committee believes that US market focused companies are a more appropriate peer group than ASX-listed companies, as they are exposed to the same macroeconomic factors in the US housing market as those we face. No changes were made to the Peer Group for fiscal year 2021. Set forth below are the names of the 20 companies comprising the Peer Group, which was used to benchmark the remuneration of our Senior Executive Officers in fiscal year 2021.

| | | |
|-----------------------------------|--------------------------------|--------------------------------|
| Acuity Brands, Inc | Lennox International, Inc | Quanex Building Products Corp |
| American Woodmark Corp | Louisiana-Pacific Corp | Simpson Manufacturing Co., Inc |
| Apogee Enterprises, Inc | Martin Marietta Materials, Inc | Trex Co., Inc |
| Armstrong World Industries, Inc | Masco Corporation | Valmont Industries, Inc |
| Cornerstone Building Brands, Inc. | Mohawk Industries, Inc | Vulcan Materials Co |
| Eagle Materials, Inc | Mueller Water Products, Inc | Watsco, Inc |
| Fortune Brands Home & Security | Owens Corning | |

Performance Linkage with Remuneration Policy

During its annual review, the Remuneration Committee assessed our performance in fiscal year 2021 against:

- our historical performance;
- our Peer Group;
- the goals in our STI and LTI variable remuneration plans; and
- the key objectives and measures the Board expects to see achieved, which are set forth in what is referred to as the “Scorecard” and further discussed later in this Remuneration Report.

Based on that review, the Board and the Remuneration Committee concluded that management’s performance in fiscal year 2021, during a pandemic, had on the whole extraordinary results of net sales growth and EBIT growth: (i) significantly above target on growth measures and significantly above target on return measures, resulting in STI variable remuneration outcomes above target for fiscal year 2021; and (ii) when taken together with performance in fiscal years 2019 and 2020, at approximately the 90th percentile of our Peer Group TSR performance (as of April 2021), significantly above expectations on ROCE performance, and met or exceeded expectations on long-term strategic measures included in the Scorecard, resulting in LTI variable remuneration being on average above target for fiscal years 2019-2021.

More details about this assessment are set out below in this Remuneration Report.

DESCRIPTION OF 2021 REMUNERATION ELEMENTS

Base Salaries and Other Fixed Remuneration Benefits

Base salary provides a guaranteed level of income that recognizes the market value of the position and internal equities between roles, as well as the individual's capability, experience and performance. Annual base salary increases are not automatic. Base salaries for Senior Executive Officers are positioned around the market median for positions of similar responsibility and are reviewed by the Remuneration Committee each year.

In addition, Senior Executive Officers may receive certain other limited fixed benefits, such as medical and life insurance benefits, car allowances, participation in executive wellness programs and an annual financial planning allowance. For fiscal year 2021, the base salary and value of other fixed benefits for each of our Senior Executive Officers is provided in the Base Pay and Other Benefits columns of the remuneration table in the section titled "Remuneration Paid to Senior Executive Officers".

Retirement Plan

In every country in which we operate, we offer employees access to pension, superannuation or individual retirement savings plans consistent with the laws of the respective country.

In the US, we sponsor a defined contribution plan, the James Hardie Retirement and Profit Sharing Plan (the "401(k) Plan"). The 401(k) Plan is a tax-qualified retirement and savings plan covering all US employees, including our Senior Executive Officers, subject to certain eligibility requirements as defined by the Internal Revenue Service (the "IRS"). In addition, we match employee contributions dollar for dollar up to a maximum of the first 6% of an employee's eligible compensation.

Non-Qualified Deferred Compensation Plan

As of 1 January 2021, we sponsor a non-qualified deferred compensation plan, the James Hardie Executive Deferred Compensation Plan (the "Deferred Compensation Plan"). Participation in the Deferred Compensation Plan is generally limited to individuals whose annual salary exceeds the Internal Revenue Service ("IRS") limits applicable to our qualified plans or are participants in our Long-Term Incentive Plan (the "LTIP"). The Deferred Compensation Plan allows participants to elect to defer receipt of some or all of their salary or earned cash incentive to a later date. The Deferred Compensation Plan also restores matching employee contributions up to a maximum of the first 6% of an employee's eligible compensation that would not be eligible in the 401(k) Plan due to IRS contribution limits so long as the participant defers eligible compensation to the Deferred Compensation Plan.

Incentive Arrangements

In addition to the base salary and other fixed benefits provided to our Senior Executive Officers, the Remuneration Committee reviews and approves a combination of both short-term and long-term variable incentive programs on an annual basis. For fiscal year 2021, our variable incentive plans for Senior Executive Officers were as follows:

| Duration | Plan Name | Amount | Form Incentive Paid |
|---------------|-----------|-------------------|----------------------|
| STI (1 year) | IP Plan | 20% of STI Target | Cash |
| | CP Plan | 80% of STI Target | Cash |
| LTI (3 years) | LTIP | 25% of LTI Target | ROCE RSUs |
| | | 25% of LTI Target | TSR RSUs |
| | | 50% of LTI Target | Cash (Scorecard LTI) |

STI Plans

On an annual basis, the Remuneration Committee approves an STI target for all Senior Executive Officers, expressed as a percentage of base salary, which is allocated between individual goals and Company goals under the IP and CP Plans, respectively. For fiscal year 2021, the STI target percentage for Dr Truong was 125% of base salary and 60% for Messrs Miele, Gadd, Blasko and Kilcullen, with 80% allocated to the CP Plan and 20% allocated to the IP Plan for all Senior Executive Officers.

CP Plan

For fiscal year 2021, the core plan design was the same as prior years. We continued to measure both Growth and Returns when assessing Company performance and shareholder value creation. However, in the unprecedented and unpredictable market conditions related to the COVID-19 pandemic, we simplified the plan metrics, and strengthened the connection between consistent revenue growth and strong returns.

For fiscal year 2021, the metrics for all regions (North America, Asia Pacific and Europe) are a net revenue measure (Growth) and a profit measure (Returns). The metrics are each set with a threshold, target and maximum payout scale. Similar in concept to the matrices used previously and in order to incentivize exceptional company performance in an uncertain and highly volatile market, both net revenue AND profitability must be achieved together to derive a payout within the payout scale, reinforcing shareholder value creation. The maximum payout is 3.0x of target.

All Senior Executive Officers continued to be tied to the NA multiple either in part or in whole. Executives with NA responsibility are linked only to the NA multiple (Mr Gadd and Mr Kilcullen). For executives with global responsibility (Dr Truong and Messrs Miele and Blasko), their STI will be based on the metrics for North America and the net income of the Company.

IP Plan

Under the IP Plan, the Remuneration Committee approves a series of one-year individual performance goals which, along with our leadership behaviors, are used to assess the performance of our Senior Executive Officers. The IP Plan links financial rewards to the Senior Executive Officer's achievement of specific objectives aligned with the strategic plan and contributions to shareholder value, but are not captured directly by financial measures in the CP Plan. Each Senior Executive Officer can receive

between 0% and 150% of their STI target allocated to the IP Plan with Board discretion to award up to 300% of target for members of the Executive Leadership Team (ELT).

The Remuneration Committee has reserved for itself discretion to change the STI paid. An example of when the Remuneration Committee would consider exercising this discretion includes external factors outside of management's control, such as, a general shift in the housing market that is considered to have a sufficiently material impact on results. The Remuneration Committee will disclose the reasons for any such exercise of its discretion.

The Remuneration Committee believes that the payout scales are appropriate because they provide management with an incentive to achieve overall corporate goals, balance growth with returns, recognize the need to flexibly respond to strategic opportunities, and incorporate Remuneration Committee discretion to ensure appropriate outcomes.

STI Plan Performance for Fiscal Year 2021

Our CP Plan results and the subsequent STI payouts for fiscal year 2021 were significantly above target as a result of:

- The NA business performing significantly above target for both Net Revenue and EBIT
- The Asia Pacific business performing above target driven by both strong Net Revenue and EBIT growth in Australia, at target for objectives achieved in New Zealand and slightly below target for performance in the Philippines.
- The EU business performing significantly above target on Net Revenue and above target on EBIT and EBIT Margin.

In regards to the IP Plan, the Senior Executive Officers' performance and the subsequent STI payouts for fiscal year 2021 were at or above target based on each Senior Executive Officer's achievement of fiscal year 2021 one-year individual performance and core organizational values and leadership behavior goals.

For fiscal year 2021, the amount to be paid to each of our Senior Executive Officers under the STI Plans is provided in the STI Award column of the remuneration table, in the section titled "Remuneration Paid to Senior Executive Officers."

LTI Plans

Each year, the Remuneration Committee approves an LTI target for all Senior Executive Officers. The approved target is allocated between three separate components to ensure that each Senior Executive Officer's performance is assessed across factors considered important for sustainable long-term value creation:

- ROCE RSUs are used as they are an indicator of high capital efficiency required over time;
 - Relative TSR RSUs are used as they are an indicator of our performance relative to our US Peer Group; and
 - Scorecard LTI is an indicator of each Senior Executive Officer's contribution to achieving our long-term strategic goals.
-

Awards issued under the LTI are issued pursuant to the terms of the LTIP. During fiscal year 2021, our Senior Executive Officers were granted the following awards under the LTIP:

| | ROCE RSUs | TSR RSUs | Scorecard LTI Units |
|-------------|-----------|----------|---------------------|
| J Truong | 82,131 | 127,083 | 246,394 |
| J Miele | 10,636 | 16,457 | 31,907 |
| S Gadd | 18,908 | 29,256 | 56,724 |
| J Blasko | 11,817 | 18,285 | 35,452 |
| R Kilcullen | 9,454 | 14,628 | 28,362 |

RSUs issued under our LTI programs will be settled upon vesting in CHESS Units of Foreign Securities ("CUFS") on a 1-to-1 basis. Unless the context indicates otherwise, when we refer to our common stock, we are referring to the shares of our common stock that are represented by CUFS.

ROCE RSUs (25% of target LTI for Fiscal Years 2021-2023)

The Remuneration Committee introduced ROCE RSUs in fiscal year 2013 because the US housing market had stabilized to an extent which permitted the setting of multi-year financial metrics. The Remuneration Committee believes ROCE RSUs remain an appropriate component of the LTI Plan because they:

- tie the reward's value to share price which provides alignment with shareholder interests;
- promote that we earn appropriate returns on capital invested;
- reward performance that is under management's direct influence and control; and focus management on capital efficiency as the necessary precondition for the creation of additional shareholder value;

Consistent with recent prior years, the maximum payout for the ROCE RSUs is 2.0x target LTI. ROCE is determined by dividing Adjusted EBIT by Adjusted Capital Employed². The ROCE hurdles will be indexed for changes to US and Asia Pacific addressable housing starts. The resulting Adjusted Capital Employed for each quarter of any fiscal year will be averaged to better reflect Capital Employed through a year rather than at a single point in time.

ROCE hurdles for the ROCE RSUs are based on historical results and take into account the US housing market and better optimization of our manufacturing plants. The three-year average ROCE for fiscal years 2018, 2019 and 2020 was 33.8%.

The hurdles for ROCE RSUs granted in fiscal year 2021 (for performance in fiscal years 2021 to 2023) remained the same as those granted in fiscal year 2019 and 2020 as follows:

| Fiscal Years 2021-2023 ROCE | Amount of Target to Vest |
|-----------------------------|--------------------------|
| < 24.0% | 0.0x |
| ≥ 24.0%, but < 26.0% | 0.5x |
| ≥ 26.0%, but < 27.5% | 1.0x |
| ≥ 27.5%, but < 28.5% | 1.5x |
| > 28.5% | 2.0x |

At the conclusion of this three-year performance period, the Remuneration Committee will review management's performance based on the quality of the returns balanced against management's delivery of market share growth and performance against the Scorecard. Following this review, the Remuneration Committee can exercise negative discretion to reduce the number of shares received on vesting of the ROCE RSUs. This discretion can only be applied to reduce the number of shares which will vest.

2 For purposes of ROCE RSU vesting, "Adjusted EBIT" and "Adjusted Capital Employed" will be calculated as follows:

"Adjusted EBIT" will be calculated as (i) EBIT as reported in our financial results; adjusted by (ii) excluding the earnings impact of legacy issues (such as asbestos adjustments); and (iii) adding back asset impairment charges in the relevant period, unless otherwise determined by the Remuneration Committee.

"Adjusted Capital Employed" will be calculated as Total Assets minus Current Liabilities as reported in our financial results; adjusted by: (i) excluding balance sheet items related to legacy issues (such as asbestos adjustments), dividends payable and deferred taxes; (ii) adding back asset impairment charges in the relevant period, unless otherwise determined by the Remuneration Committee; (iii) adding back leasehold assets for manufacturing facilities and other material leased assets; and (iv) deducting all greenfield construction-in-progress, and any brownfield construction-in-progress projects involving capacity expansion that are individually greater than US\$20 million, until such assets reach commercial production and are transferred to the fixed asset register

ROCE RSUs Vesting in Fiscal Year 2021 (for Fiscal Years 2019-2021)

As a component of the fiscal year 2019 LTI Plan, we granted ROCE RSUs in August 2018. The ROCE RSUs comprised 25% of each Senior Executive Officer's LTI target and were granted assuming 2.0x target. Vesting of the ROCE RSUs is dependent on the average ROCE performance for fiscal years 2019-2021 and is subject to the Remuneration Committee's negative discretion based on its judgment regarding the quality of returns balanced against management's delivery of market share growth. The ROCE performance hurdles for this grant were approved as follows:

| ROCE Performance Level | Amount of Target to Vest |
|------------------------|--------------------------|
| < 24.0% | 0.0x |
| ≥ 24.0%, but < 26.0% | 0.5x |
| ≥ 26.0%, but < 27.5% | 1.0x |
| ≥ 27.5%, but < 28.5% | 1.5x |
| ≥ 28.5% | 2.0x |

Based on the average ROCE result for fiscal years 2019-2021 of 33.0%, 2.0x target of the ROCE RSUs granted will vest on August 17, 2021.

Relative TSR RSUs (25% of target LTI for Fiscal Years 2021-2023)

The Remuneration Committee believes that Relative TSR RSUs continue to be an appropriate component of the LTI Plan because they provide alignment with shareholders. Even if macro-economic conditions create substantial shareholder value, Senior Executive Officers will only receive payouts if the TSR of our shares exceeds a specified percentage of our Peer Group over a performance period.

Relative TSR RSUs have been a component of our LTI since fiscal year 2009. Consistent with recent prior years, the maximum payout for Relative TSR RSUs granted in fiscal year 2021 is 2.0x target LTI.

Relative TSR measures changes in our share price and the share prices of our Peer Group; and assumes all dividends and capital returns are reinvested when paid. For fiscal year 2021, our relative TSR performance will be measured against the Peer Group over a three-year performance period from grant date, with no re-testing. To eliminate the impact of short-term share price changes, the starting point and test date are measured using a 20 trading-day average closing price. Relative TSR RSUs will vest based on the following straight-line schedule:

| Performance against Peer Group | Amount of Target to Vest |
|--------------------------------|--------------------------|
| < 40th Percentile | 0.0x |
| 40th Percentile | 0.5x |
| > 40th, but < 60th Percentile | Sliding Scale |
| 60th Percentile | 1.0x |
| > 60th, but < 80th Percentile | Sliding Scale |
| ≥ 80th Percentile | 2.0x |

The Remuneration Committee will continue to monitor the design of the Relative TSR RSU component of the LTI Plan for Senior Executive Officers with the aim of balancing investor preferences with the ability to motivate and retain Senior Executive Officers.

*TSR RSUs Vested in Fiscal Year 2021**TSR RSUs Vested for Fiscal Years 2018-2020*

As part of the fiscal year 2018 LTI Plan, in August 2017 we granted three-year Relative TSR RSUs to senior executives. Vesting of these Relative TSR RSUs was dependent on our TSR performance relative to the Peer Group in place at that time, based on the following schedule:

| Performance against Peer Group | Amount of Target to Vest |
|--------------------------------|--------------------------|
| < 40th Percentile | 0.0x |
| 40th Percentile | 0.5x |
| > 40th, but < 60th Percentile | Sliding Scale |
| 60th Percentile | 1.0x |
| > 60th, but < 80th Percentile | Sliding Scale |
| ≥ 80th Percentile | 2.0x |

In August 2020, the first and only test of Relative TSR performance was completed, resulting in our TSR performance at the 80.9 percentile of the Peer Group in place at that time. As a result, 2.0x of target outstanding Relative TSR RSUs vested.

TSR RSUs Vested for Fiscal Years 2017-2019

In addition, the second test of the FY17 TSR RSUs was completed, resulting in our TSR performance at the 61.9 percentile of the Peer Group and as a result an additional .2875x of target vested. On 16 March 2021, the final test was completed resulting in TSR performance at the 76.1 percentile of the Peer Group and as a result .355x of target vested and the balance were cancelled.

Scorecard LTI (50% of target LTI for Fiscal Years 2021-2023)

Scorecard LTI has been a component of our LTI Plan since fiscal year 2010. Each year, the Remuneration Committee approves a number of key management objectives and the results it expects to see achieved in relation to these objectives. These objectives are incorporated into that year's grant of Scorecard LTI. At the end of the three-year performance period, the Remuneration Committee assesses our Senior Executive Officers' collective performance on each key objective and each individual Senior Executive Officer's contribution to those achievements and the Board reviews this assessment. Senior Executive Officers may receive different ratings depending on the contribution they have made during the three-year performance period. Although most of the objectives in the Scorecard have quantitative targets, we consider some of the targets to be commercial-in-confidence. Consistent since fiscal year 2010, the maximum payout for Scorecard LTI is 3.0x target LTI.

The Remuneration Committee believes that the Scorecard LTI continues to be an appropriate component of its LTI Plan because it:

- allows the Remuneration Committee to set targets for and reward executives on a balance of longer-term financial, strategic, business, customer and organizational development goals which it believes are important contributors to long-term creation of shareholder value;
- ties the reward's value to our share price over the medium-term; and
- allows flexibility to apply rewards across different countries, while providing Senior Executive Officers with liquidity to pay tax or other material commitments at a time that coincides with vesting of shares (via the other components of the LTI Plan), as payment is in cash.

No specific weighting is applied to any single objective and the final Scorecard assessment reflects an element of judgment by the Board. The Board may only exercise negative discretion (i.e., to reduce the amount of Scorecard LTI that will ultimately vest). It cannot enhance the maximum reward that can be received.

The amount received by Senior Executive Officers is based on both our share price performance over the three-year performance period and the Senior Executive Officer's Scorecard rating. At the start of the three-year performance period, we calculate the number of units each Senior Executive Officer could have acquired if they received a maximum payout on the Scorecard LTI at that time (based on a 20 trading-day average closing price). Depending on the Senior Executive Officer's performance, between 0.0x and 3.0x of the Senior Executive Officer's Scorecard LTI awards will vest at the end of the three-year performance period. Each Senior Executive Officer will receive a cash payment based on our share price at the end of the period (based on a 20 trading-day average closing price) multiplied by the number of units they could have acquired at the start of the performance period, adjusted downward in accordance with their Scorecard rating.

Further details related to the Scorecard for fiscal year 2021, including the method of measurement, historical performance against the proposed measures and the Board of Director's expectations, were previously set out in our Remuneration Report for fiscal year 2021. An assessment of our Scorecard performance for fiscal years 2019-2021 is set out below. We will provide an explanation of the final assessment of performance under the Scorecard for fiscal years 2021-2023 at the conclusion of fiscal year 2023.

Scorecard LTI Vesting in Fiscal Year 2021 (for Fiscal Years 2019-2021)

After fiscal year 2021, the Remuneration Committee reviewed our performance over fiscal years 2019-2021 against the Scorecard objectives set forth in fiscal year 2019, and the contribution of individual Senior Executive Officers towards the achievement of such objectives. As a result of this evaluation, the Remuneration Committee determined that Senior Executive Officers would receive a weighted average Scorecard rating between 0.75x and 3.0x of target.

| Performance Measure/Rationale | Performance Metric/Results | Board Assessment for the Three-year Period |
|--|---|--|
| Grow market share in all our businesses and geographies A key strategy for the Company is to maximize its market share growth/retention of the exterior cladding market for new housing starts and for repair & remodel markets. | Goal: NA Primary Demand Growth ("PDG") above market, EBIT Margin, EBIT Growth. Result: Recognized significant growth in NA exteriors over the three-year period with FY2021 PDG of +9%.. In addition, EBIT Margin for FY21 was 28.8% with EBIT Growth of 25%. | Performance exceeded expectations |
| People Continue to invest in the development and promotion of our people and reduce turnover. | Goal: Continued focus on turnover, driving the North American turnover to below 15% by the end of the three year period. Execute a successful succession plan. Successful recruitment, hiring and onboarding of business leaders and development of bench strength. Result: Succession plan successfully executed resulting in appointment of Dr Jack Truong as CEO on 31 January 2019. Significant improvements in the hiring of key talent at the executive level. Average total annual turnover decreased from 19.7% to 8.6% during the 3-year period and exceeded the turnover target. Demonstrated improvement in the critical areas of leadership behaviors and cultural change. | Performance exceeded expectations |

| Performance Measure/Rationale | Performance Metric/Results | Board Assessment for the Three-year Period |
|---|---|--|
| Safety — Zero Harm The safety of our employees is an essential objective of the Company. | Goal: The safety of all employees is an essential objective of the company. Zero Harm (zero fatalities) and implement a housekeeping, facility maintenance and safety management system in our plants globally. Result: Implemented Zero Harm strategy during the three year period. Implemented the Hardie Maintenance and Operating System (HMOS) in all plants in Australia, NA during FY2020 and Europe in FY2021 with great success resulting in more engaged employees, decreased employee turnover and safer more efficient manufacturing processes. | Performance exceeded expectations |
| Hardie Advantage Manufacturing Adequate capacity, and effective machine utilization, product quality, and service are critical to delivering future growth and optimizing returns through a more efficient manufacturing network. | Goal: First pass quality and service as well as sheet machine Pcl/PdI metrics for sheet machine. Reduce unit costs by 3% indexed for mix and PPV. Result: Implemented HMOS in all plants in NA, Australia and Europe. Realized savings through Lean in North America of \$51.5M since implementing in Q4 FY19. Unit cost was reduced by approximately 7% from FY19. | Performance exceeded expectations |
| International: APAC and Europe Pursue organic growth in all international markets. | Goal: James Hardie Australia ("JHA") growth above market of 3.5% while maintaining category share. James Hardie New Zealand ("JHNZ") annual growth above market of 3.5% while maintaining category share. Growth of Scyon product line and introduction of new products in APAC over the three-year period. James Hardie Europe ("JHEU") was to successfully integrate, grow the Fermacell business and develop a business plan to manufacture fiber cement products that meet European market needs. Result: JHA average annual growth has not met expectation. Category share has been retained. Scyon revenue growth on average increased 7.7% share, which exceeded three-year goals. JHNZ did not perform well in FY2020 and rebounded in FY2021 with a PDG of 6.3% compared to -10.5% in FY2020. JHEU: Successful acquisition of Fermacell in FY2018 with the transition completed in FY2019. Fiber Cement sales increased since FY2018 on average 16% annually. | Performance met expectations |

CHANGES TO REMUNERATION FOR FISCAL YEAR 2021

Remuneration for Fiscal Year 2022

During May 2021, the Board, with the assistance of the Remuneration Committee and its independent remuneration advisers, undertook its annual review of our existing remuneration policies, programs and arrangements and determined to implement certain changes for fiscal year 2022.

CEO Compensation

For fiscal year 2022, the CEO's base salary will be increased 11% to US\$1,000,000, which will bring base salary closer to the market median of the peer group. In addition, Dr Truong's LTI target will be increased to US\$5,750,000 for FY2022.

Other Senior Executive Officer Compensation

Base pay, target STI and LTI increases in fiscal year 2022 for the CEO and other Senior Executive Officers are as follows:

| Name | Base Salary | | Target STI | | LTI Target | |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Fiscal Year 2021 (US\$) | Fiscal Year 2022 (US\$) | Fiscal Year 2021 (US\$) | Fiscal Year 2022 (US\$) | Fiscal Year 2021 (US\$) | Fiscal Year 2022 (US\$) |
| J Truong | 900,000 | 1,000,000 | 125% | 125% | 3,475,000 | 5,750,000 |
| J Miele | 416,000 | 500,000 | 60% | 60% | 450,000 | 600,000 |
| S Gadd | 577,830 | 577,830 | 60% | 60% | 800,000 | 800,000 |
| J Blasko | 459,900 | 471,398 | 60% | 60% | 500,000 | 500,000 |
| R Kilcullen | 380,544 | 380,544 | 60% | 60% | 400,000 | 300,000 |

Mr Miele is receiving a merit increase of 5% in addition to a market increase in his base salary to bring base salary closer to the median of the peer group of other CFOs. In addition, Mr Miele is receiving an increase in his LTI target since he is currently below the 25th percentile of the peer group. Mr Kilcullen's LTI target is being reduced to be closer to the market median as well; otherwise, there are no other target LTI changes for the Senior Executive Officers for fiscal year 2022. Base salary increases, if any, are made in line with our annual compensation review guidelines and were adjusted as required to maintain positioning relative to market merit increase levels.

STI Plans

For fiscal year 2022, the plan design will continue to be the same as fiscal year 2021. We will continue to measure both Growth and Returns when assessing Company performance and shareholder value creation. We will continue to use the same the plan metrics, and continue to strengthen the connection between consistent revenue growth and strong returns. As in FY2021, the metrics for all regions (North America, Asia Pacific and Europe) will be a net revenue measure (Growth) and a profit measure (Returns). The metrics are each set with a threshold, target and maximum payout scale. The metrics and scales will incentivize exceptional company performance in a unpredictable market, both net revenue AND profitability must be achieved together to derive a payout within the payout scale, reinforcing shareholder value creation. The maximum payout will be 3.0x of target.

For fiscal year 2022, Messrs Gadd and Kilcullen will continue to be tied to the NA multiple. For executives with global responsibility (Dr Truong and Messrs Miele and Blasko), their STI will be based on the metrics for North America and the net income of the Company.

There will be no material change to the operation of the IP or CP Plans for fiscal year 2022.

LTI Plan

The Remuneration Committee believes the three components of the LTI Plan continue to (i) align management objectives with shareholder interests (Relative TSR RSU component), (ii) promote the appropriate internal management behaviors related to operating efficiency and the profitability of the Company's assets (ROCE RSU component), and (iii) emphasize strategic long-term priorities (Scorecard LTI component). As such, the fiscal year 2022 LTI Plan is consistent with the plan for fiscal year 2021 with updates to ROCE target measures and the Scorecard objectives.

The 2021 Notice of AGM will contain further details on the Relative TSR RSU and ROCE RSU grants for fiscal year 2022.

For fiscal year 2022, the Remuneration Committee has set the following eight Scorecard goals for each region (for the performance period in fiscal years 2022 to 2024) to ensure alignment with our strategic priorities:

| | APAC | Europe | North America |
|--|--|--|---|
| Organic revenue growth | 11%+ | 6%+ | 11%+ |
| High Value Product Mix | FY22 38%; FY23 42%; FY24 44% | FY22 39%; FY23 41%; FY24 43% | FY22 66%; FY23 67%; FY24 68% |
| Lean - Cumulative over 3 Years (FY22 – 24) | USD \$78M vs FY19 Base | USD \$63M vs FY19 Base | USD \$200M vs FY19 Base |
| EBIT Margin | 25% - 30% | 11% - 16% | 25% - 30% |
| Zero Harm | <ul style="list-style-type: none"> Empower all employees to be Zero Harm Leaders Execute on the critical ZH priorities thru ZH culture shift DART rate: FY22 = 0.07; FY23=0.06; FY24= 0.05 | <ul style="list-style-type: none"> Empower all employees to be Zero Harm leaders Execute on the critical ZH priorities thru ZH culture shift DART Rate: FY22=0.55; FY23=0.44; FY24=0.35 | <ul style="list-style-type: none"> Empower all employees to be Zero Harm leaders Execute on the critical ZH priorities thru ZH culture shift DART rate: FY22=0.51; FY23=0.41; FY24=0.33 |
| Innovation | <ul style="list-style-type: none"> Commercial-in-confidence metrics for products and process efficiencies | <ul style="list-style-type: none"> Commercial-in-confidence metrics for products and process efficiencies | <ul style="list-style-type: none"> Commercial-in-confidence metrics for products and process efficiencies |
| People & Culture | <ul style="list-style-type: none"> Turnover: <11% Enhance leadership capabilities in targeted areas Talent and Performance Management Execute region deliverables for I&D strategy to attract, develop and retain diverse talent Diversity Target: Maintain or enhance gender diversity Sr. Leadership, grow to 20% or more all mgmt. positions and 20% or more in total workforce. | <ul style="list-style-type: none"> Turnover: <7.5% Enhance leadership capabilities in targeted areas Talent and Performance Management Execute region deliverables for I&D strategy to attract, develop and retain diverse talent Diversity Target: Enhance gender diversity Sr. Leadership, grow to 20% or more all mgmt. positions and 17% or more in total workforce. | <ul style="list-style-type: none"> Turnover: <11% Enhance leadership capabilities in targeted areas Talent and Performance Management Execute region deliverables for I&D strategy to attract, develop and retain diverse talent Diversity Target: 20% or more female representation in Mgmt & Sr. Leadership roles and 14% or more in total workforce; 45% or more total employee population with diverse characteristics. |
| Environment, Social & Governance ("ESG") | FY22: <ul style="list-style-type: none"> FY22 ESG Report shows improvement across areas management flagged in FY21 report Receive zero negative shareholder votes across any resolution whereby the shareholder notes the vote was due to lack of clarity on ESG initiatives FY23: <ul style="list-style-type: none"> Strengthen CDP disclosures with TCFD recommendations Refresh materiality assessment with expanded stakeholder groups FY23 ESG Report shows improvement across areas reported on FY24: <ul style="list-style-type: none"> Improved CDP reporting with progress towards goals Expanded Task Force for Climate Change Disclosure (TFCD) reporting FY24 reporting shows improvement & PDCA as required based on stakeholder feedback | | |

OTHER EXECUTIVE COMPENSATION PRACTICES

Clawback Provisions

The Remuneration Committee has established an executive performance-based compensation clawback policy in connection with performance-based compensation paid or awarded to certain executives. The clawback policy provides that the Board may, in all appropriate circumstances, recover from any current or former executive regardless of fault, that portion of any performance-based compensation erroneously awarded: (i) based on financial information required to be reported under applicable US or Australian securities laws or applicable exchange listing standards that would not have been paid in the three completed fiscal years preceding the year(s) in which an accounting restatement is required to correct a material error; or (ii) during the previous three completed fiscal years as a result of any errors or omissions in objective, calculable performance measures contained in formal papers presented to and relied upon by the Board for purposes of determining compensation to be paid or awarded, where the absence of such errors or omissions would have resulted in there being a material negative impact on the amount of performance-based compensation paid or awarded.

The clawback policy applies to any person designated as a participant by the Board in the annual LTI Plan and applies to any compensation that is granted, earned or vested based wholly or in part upon the attainment of any financial or other objective, calculable performance measure under any incentive, bonus, retirement or equity compensation plan maintained by the Company, including, without limitation, the STI Plan and LTI Plan. Salaries, discretionary bonuses, time-based equity awards and bonuses or equity awards based on subjective, non-financial measures, including strategic or personal performance metrics, are excluded.

The excess compensation requiring recovery shall be the amount of performance-based compensation that an executive received, based on the erroneous data, less the amount that would have been paid to the executive based on the restated or corrected data. All recoverable amounts shall be calculated on a pre-tax basis. For equity awards still held at the time of the recovery, the recoverable amount shall be the amount vested in excess of the number that should have vested under the restated or corrected financial reporting measure. For vested equity awards which have already been sold, the recoverable amount shall be the sale proceeds the executive received with respect to the excess number of shares.

In addition, all fiscal year 2021 LTI grants made to Dr Truong and Messrs Miele, Gadd, Blasko and Kilcullen are subject to a specific clawback provision for violation of a limited non-compete provision that specifically prohibits executives from working for designated competitors or for any company that may enter the fiber cement market within two years of departure. For fiscal year 2022, all LTI grants made to Senior Executive Officers will be subject to the clawback provision.

Stock Ownership Guidelines

The Remuneration Committee believes that Senior Executive Officers should hold a meaningful level of our stock to further align their interests with those of our shareholders. We have adopted stock ownership guidelines for the CEO and other Senior Executive Officers, respectively, which require them to accumulate holdings of three times and one times their base salary, respectively, in our stock over a period of five years from the effective date of the guidelines (1 April 2009) or the date the Senior Executive Officer first becomes subject to the applicable guideline.

Until the stock ownership guidelines have been met, Senior Executive Officers are required to retain at least 75% of shares obtained under our LTI Plans (net of taxes and other costs). Once Senior Executive Officers have met or exceeded their stock ownership guidelines, they are required to retain at least 25%

of shares issued under our LTI Plans through the vesting of RSUs (net of taxes and other costs) for a period of two years (by way of a holding lock), after which time those shares can be sold (provided the Senior Executive Officer remains at or above the stock ownership guideline).

As of 31 March 2021, all Senior Executive Officers have either achieved the minimum share ownership threshold or are within the initial five year accumulation period.

Equity Award Practices

The FY2022 annual equity awards under the LTI Plan were approved by the Remuneration Committee in May with awards generally issued in August of each year. We do not time the granting of equity awards to the disclosure of material information.

For details of the application of our insider-trading policy for equity award grant participants, including our prohibition on employee hedging transactions, see the “Insider Trading” section of this Annual Report.

Loans

We did not grant loans to Senior Executive Officers during fiscal year 2021. There are no loans outstanding to Senior Executive Officers.

Employment and Severance Arrangements

During fiscal year 2021, we maintained employment or severance agreements with Dr Truong and each of Messrs Gadd and Miele. Other than as provided under the terms of their respective employment agreements, no other termination payments are payable, except as required under the terms of the applicable STI or LTI plans.

Employment Agreement with Dr Jack Truong

Below is a summary of the key terms of Dr Truong's current employment agreement:

- The Employment Agreement is effective 31 January 2019 providing for service as CEO.
- Dr Truong is an employee-at-will and either he or the Company may terminate his employment at any time or for any reason.
- Base salary at an initial annual rate of US\$800,000, subject to annual review and approval by the Remuneration Committee.
- Participation in the Company's annual STI and LTI Plans, with a minimum STI target of 100% of his annual base salary, as established by the Company's Board.
- Participation in the Company's benefit, health and welfare plans and certain fringe benefits made generally available to Senior Executive Officers in accordance with his agreement and Company policies.
- In the event that Dr Truong's employment is terminated by the Company for any reason other than for “Cause”, or if Dr Truong voluntarily terminates his employment for “Good Reason”, in addition to those benefits that would be considered standard for any employee at termination (i.e., unpaid base salary, accrued vacation, unreimbursed business expenses and the payment of any earned but unpaid annual incentive award) Dr Truong will be entitled to receive the following benefits:
 - An aggregate amount equal to the sum of: (i) two times Dr Truong's base salary plus (ii) two times Dr Truong's target annual incentive, payable in substantially equal periodic installments over the two year period following the date of termination;

- An amount, if any, with respect to the annual incentive award opportunity for the fiscal year in which termination of employment occurs, as determined under the terms and conditions of annual incentive program(s) then in-effect;
- All outstanding equity awards will be subject to the terms and conditions of the applicable equity incentive plan and any corresponding award agreement(s); provided, however, that (i) if the date of termination occurs prior to 21 August 2022, any service-based vesting criteria on the long-term incentive awards granted to Dr Truong on 21 August 2017 that were designated as retention awards will be deemed satisfied in full (but any performance criteria then still applicable to those awards will remain in effect);
- Monthly payments for a period of up to 24 months following the date of termination equal to the premium Dr Truong would be required to pay for continuing coverage under the Company's health benefit plans; and
- Reasonable professional outplacement services for a period of up to 24 months following the date of termination.

Offer of Employment with Jason Miele

Below is a summary of the key terms provided in Mr Miele's Offer of Employment, which was entered into in conjunction with his promotion to Senior Vice President, Chief Financial Officer effective 25 February 2020:

- Mr Miele is an employee-at-will and either he or the Company may terminate his employment at any time or any reason.
- Base salary at an initial annual rate of US\$400,000, subject to annual review and approval by the Remuneration Committee.
- Participation in the Company's annual STI and LTI Plans, with a STI target of 60% of his annual base salary.
- Participation in the Company's benefit, health and welfare plans and certain fringe benefits made generally available to Senior Executive Officers in accordance with his agreement and Company policies.
- In the event that Mr Miele is terminated by the Company without "Cause" or terminated by Mr Miele for "Good Reason", in addition to those benefits that would be considered standard for any employee at termination (*i.e.*, unpaid base salary, accrued vacation, unreimbursed business expenses and the payment of any earned but unpaid annual incentive award) Mr Miele will be entitled to receive the following benefits:
 - Salary continuation for the one year period following the date of termination, provided the aggregate amount of such continuation payments shall be equal to the sum of (i) one times the base salary plus (ii) one times the annual incentive award opportunity, as then in-effect;
 - All outstanding equity awards under the Company's equity incentive plans will be subject to the terms and conditions of the applicable plan and any corresponding award agreement(s);
 - Monthly payments for a period of 12 months following the date of termination equal to the premium Mr Miele would be required to pay for continuing coverage under the Company's health benefit plans; and
 - Reasonable professional outplacement services for a period of up to 12 months following the date of termination.

Severance Agreement with Sean Gadd

During fiscal year 2019, we entered into a severance agreement with Mr Gadd in order to provide him with certain severance benefits under various termination scenarios. In the event of termination by the Company without cause or by the executive for good reason or death and disability, these benefits would be in addition to what would be considered standard for any employee at termination (i.e., lump sum unpaid base salary, accrued vacation, unreimbursed business expenses and the payment of any earned but unpaid annual incentive award) and would include: (i) salary continuation for one and one-half years provided the aggregate amount of such payments is equal to the sum of (a) one and one-half times the executive's base salary, plus (b) one times the executive's annual incentive opportunity, as then in effect; (ii) monthly payments for a period of 18 months following termination equal to the premium the executive would be required to pay for COBRA continuation coverage under the Company's health benefit plans based on the level of coverage the executive has immediately prior to termination. Executive is not required to purchase COBRA continuation coverage or use these payments towards any payment of applicable premiums for COBRA continuation coverage; and (iii) reasonable outplacement services through a provider of the Company's choice. Services terminate when the executive finds other employment and may not continue for more than 12 months following termination.

REMUNERATION PAID TO SENIOR EXECUTIVE OFFICERS

Total Remuneration for Senior Executive Officers

Details of the remuneration for Senior Executive Officers in fiscal years 2021, 2020 and 2019 are set out below:

| (US dollars) | Primary | | | Post-employment | Equity Awards | | Other | TOTAL |
|-----------------------------|-----------------------|------------------------|-----------------------------|-----------------|------------------------------|-----------------------------|--|------------|
| Name | Base Pay ¹ | STI Award ² | Other Benefits ³ | 401(k) | Ongoing Vesting ⁴ | Mark-to Market ⁵ | Relocation Allowances, and Other Nonrecurring ⁶ | |
| J Truong⁷ | | | | | | | | |
| Fiscal year 2021 | 873,077 | 3,037,500 | 73,377 | 17,100 | 5,740,243 | 9,973,788 | — | 19,715,085 |
| Fiscal Year 2020 | 800,000 | 2,160,000 | 75,038 | 17,366 | 3,329,423 | (316,615) | 3,051 | 6,068,263 |
| Fiscal Year 2019 | 679,396 | 949,362 | 46,902 | 17,226 | 1,412,235 | (337,627) | 30,528 | 2,798,022 |
| J Miele | | | | | | | | |
| Fiscal year 2021 | 411,692 | 648,960 | 111,469 | 17,100 | 533,914 | 754,806 | 283,744 | 2,761,685 |
| Fiscal Year 2020 | 292,840 | 269,233 | 39,384 | 18,076 | 255,805 | (3,427) | 382,089 | 1,254,000 |
| S Gadd | | | | | | | | |
| Fiscal year 2021 | 573,299 | 901,415 | 38,808 | 17,100 | 1,438,684 | 3,082,202 | — | 6,051,508 |
| Fiscal Year 2020 | 558,038 | 747,252 | 35,249 | 18,230 | 1,347,237 | (29,332) | — | 2,676,674 |
| Fiscal Year 2019 | 525,289 | 373,200 | 47,548 | 17,210 | 1,389,526 | (467,763) | 100,000 | 1,985,010 |
| J Blasko | | | | | | | | |
| Fiscal year 2021 | 457,472 | 717,444 | 71,350 | 17,100 | 609,857 | 1,129,200 | — | 3,002,423 |
| Fiscal Year 2020 | 447,347 | 489,117 | 54,088 | 17,012 | 568,651 | 11,022 | — | 1,587,237 |
| Fiscal Year 2019 | 434,317 | 321,484 | 59,065 | 16,677 | 688,153 | (240,355) | — | 1,279,341 |
| R Kilcullen | | | | | | | | |
| Fiscal year 2021 | 379,030 | 593,649 | 33,788 | 12,453 | 635,010 | 1,132,357 | — | 2,786,287 |
| Fiscal Year 2020 | 371,038 | 476,898 | 26,046 | 18,022 | 552,189 | (11,661) | — | 1,432,532 |
| TOTAL | | | | | | | | |
| Fiscal Year 2021 | 2,694,570 | 5,898,968 | 328,792 | 80,853 | 8,957,708 | 16,072,353 | 283,744 | 34,316,988 |
| Fiscal Year 2020 | 2,469,263 | 4,142,500 | 229,805 | 88,706 | 6,053,305 | (350,013) | 385,140 | 13,018,706 |

¹ Base pay for fiscal years 2021, 2020 and 2019 includes salary paid to Senior Executive Officers for the 26 bi-weekly paychecks received during the fiscal years.

² For further details on STI awards paid for fiscal year 2021, see "Incentive Arrangements" above in this Remuneration section. Amounts reflect actual STI awards to be paid in June 2021 and paid in June 2020 and 2019, for fiscal years 2021, 2020 and 2019, respectively

³ Includes the aggregate amount of all other benefits received in the year indicated. Examples of benefits that may be received include medical and life insurance benefits, car allowances, membership in executive wellness programs, and financial planning and tax services.

⁴ Includes equity award expense for grants of Scorecard LTI awards, relative TSR RSUs and ROCE RSUs. Relative TSR RSUs are valued using a Monte Carlo simulation method. ROCE RSUs and Scorecard LTI awards are valued based on the Company's share price at each balance sheet date adjusted for the fair value of estimated dividends as well as the Remuneration Committee's current expectation of the amount of the RSUs or awards which will vest. The fair value of equity awards granted are included in compensation over the periods in which the equity awards vest. For ROCE RSUs and Scorecard LTI awards, this amount excludes adjustments to the equity award expense in previous fiscal years resulting from changes in the Company's share price, which is disclosed separately in the Equity Awards "Mark-to-Market" column.

⁵ The amount included in this column is the equity award expense in relation to ROCE RSUs and Scorecard LTI awards resulting from changes in fair market value of the US dollar share price during the fiscal years 2021, 2020 and 2019 as well as adjustments to

performance ratings based on review by Executive Management and the Board of Directors. During fiscal year 2021, there was a 164.7% increase in our share price from US\$11.44 to US\$30.28. During fiscal year 2020, there was a 11.1% decrease in our share price from US\$12.87 to US\$11.44.

- 6 Includes the aggregate of non-recurring payments or other benefits received in the year indicated. Examples include one-time signing bonus or other limited payments connected to initial retention, one-time discretionary bonus payments, relocation allowances and costs and severance payments.
- 7 J Truong's base pay includes US\$205,734 in fiscal year 2021, which is allocated for tax purposes to his services on the Company's Board.

Additional Summary Remuneration Table

This table shows the compensation provided to the executive that more closely reflects the amount of pay earned during each fiscal year reported. The footnotes below the table define each compensation component. The main difference between the two tables is the equity incentives. This table shows the value of the LTI Scorecard payout (not shown in previous table) in the Non-Equity Incentive Plan Compensation column, which also includes the annual STI payout. The Stock Awards column shows the value of the FY21-23 equity awards that were granted to each executive.

| Name | Base Pay ¹ | Bonus ² | Stock Awards ³ | Options Awards ⁴ | Non-Equity Incentive Plan Compensation ⁵ | Change in Pension Value and Nonqualified Deferred Compensation Earnings | All Other Compensation ⁶ | Total |
|-----------------------------|-----------------------|--------------------|---------------------------|-----------------------------|---|---|-------------------------------------|------------|
| J Truong⁷ | | | | | | | | |
| Fiscal year 2021 | 873,077 | — | 1,737,499 | — | 5,983,696 | — | 90,477 | 8,684,749 |
| Fiscal Year 2020 | 800,000 | — | 1,049,998 | — | 2,160,000 | — | 95,455 | 4,105,453 |
| Fiscal Year 2019 | 679,396 | — | 500,000 | — | 949,362 | — | 94,656 | 2,223,414 |
| J Miele | | | | | | | | |
| Fiscal year 2021 | 411,692 | — | 225,005 | — | 795,901 | — | 412,313 | 1,844,911 |
| Fiscal Year 2020 | 292,840 | — | 124,997 | — | 312,260 | — | 439,550 | 1,169,647 |
| S Gadd | | | | | | | | |
| Fiscal year 2021 | 573,299 | — | 399,998 | — | 2,095,596 | — | 55,907 | 3,124,800 |
| Fiscal Year 2020 | 558,038 | — | 399,999 | — | 933,695 | — | 53,479 | 1,945,211 |
| Fiscal Year 2019 | 525,289 | 100,000 | 399,999 | — | 631,300 | — | 64,757 | 1,721,345 |
| J Blasko | | | | | | | | |
| Fiscal year 2021 | 457,472 | — | 249,993 | — | 1,056,239 | — | 88,450 | 1,852,154 |
| Fiscal Year 2020 | 447,347 | — | 250,000 | — | 618,197 | — | 71,101 | 1,386,645 |
| Fiscal Year 2019 | 434,317 | — | 249,999 | — | 480,317 | — | 75,741 | 1,240,374 |
| R Kilcullen | | | | | | | | |
| Fiscal year 2021 | 379,030 | — | 199,999 | — | 985,476 | — | 46,241 | 1,610,746 |
| Fiscal Year 2020 | 371,038 | — | 200,003 | — | 548,614 | — | 44,068 | 1,163,723 |
| TOTAL | | | | | | | | |
| Fiscal Year 2021 | 2,694,570 | — | 2,812,494 | — | 10,916,908 | — | 693,388 | 17,117,360 |
| Fiscal Year 2020 | 2,469,263 | — | 2,024,997 | — | 4,572,766 | — | 703,653 | 9,770,679 |

- 1 Base pay for fiscal years 2021, 2020 and 2019 includes salary paid to Senior Executive Officers for the 26 bi-weekly paychecks received during the fiscal years.
- 2 Includes non-performance bonuses such as a special award for retention or a sign-on bonus for a new hire. Examples include one-time signing bonus or other limited payments connected to initial retention, one-time discretionary bonus payments.
- 3 Shows the value on the date of grant for the TSR RSUs and ROCE RSUs granted to the executive during each fiscal year. Relative TSR RSUs are valued using a Monte Carlo simulation method. ROCE RSUs are valued based on the Company's share price on the grant date. The TSR RSU valuation for fiscal year 2021 is US\$13.67 and ROCE RSU 20-day average share price of US\$21.16.
- 4 We do not grant stock options to executives.
- 5 For further details on STI awards paid for fiscal year 2021, see "Incentive Arrangements" above in this Remuneration section. Amounts reflect actual STI awards to be paid in June 2021 and paid in June 2020 and 2019, for fiscal years 2021, 2020 and 2019, respectively. In addition, the LTI Scorecard cash payouts are included that were paid in August 2020, 2019 and 2018.
- 6 Includes the aggregate amount of all other benefits received in the year indicated. Examples of benefits that may be received include medical and life insurance benefits, 401(K) company match, car allowances, membership in executive wellness programs, and financial planning and tax services.
- 7 J Truong's base pay includes US\$205,734 in fiscal year 2021, which a portion is allocated for tax purposes to his services on the Company's Board.

Variable Remuneration Payable in Future Years

Details of the accounting cost of the variable remuneration for fiscal year 2021 that may be paid to Senior Executive Officers in future years are set out below. The minimum amount payable is nil in all cases. The maximum amount payable will depend on the share price at time of vesting, and is therefore not possible to determine. The table below is based on the fair value of the RSUs and Scorecard LTI according to US GAAP and our estimate of the rating to be applied to Scorecard LTI.

| Scorecard LTI ¹ | | | | | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| (US dollars) | | | | | |
| | FY2021 | FY2022 | FY2023 | FY2024 | TOTAL |
| J Truong | 1,105,220 | 2,047,742 | 2,047,742 | 779,825 | 5,980,529 |
| J Miele | 96,951 | 179,631 | 179,631 | 68,407 | 524,620 |
| S Gadd | 113,266 | 209,859 | 209,859 | 79,919 | 612,903 |
| J Blasko | 50,012 | 92,662 | 92,662 | 35,288 | 270,624 |
| R Kilcullen | 55,399 | 102,642 | 102,642 | 39,088 | 299,771 |
| | 1,420,848 | 2,632,536 | 2,632,536 | 1,002,527 | 7,688,447 |

| ROCE RSUs ² | | | | | |
|------------------------|----------------|----------------|----------------|----------------|------------------|
| (US dollars) | | | | | |
| | FY2021 | FY2022 | FY2023 | FY2024 | TOTAL |
| J Truong | 213,677 | 534,192 | 534,192 | 203,432 | 1,485,493 |
| J Miele | 35,547 | 65,861 | 65,861 | 25,081 | 192,350 |
| S Gadd | 63,196 | 117,090 | 117,090 | 44,590 | 341,966 |
| J Blasko | 39,495 | 73,176 | 73,176 | 27,867 | 213,714 |
| R Kilcullen | 31,598 | 58,545 | 58,545 | 22,295 | 170,983 |
| | 383,513 | 848,864 | 848,864 | 323,265 | 2,404,506 |

| Relative TSR RSUs ³ | | | | | |
|--------------------------------|----------------|------------------|------------------|----------------|------------------|
| (US dollars) | | | | | |
| | FY2021 | FY2022 | FY2023 | FY2024 | TOTAL |
| J Truong | 340,226 | 850,566 | 850,566 | 323,914 | 2,365,272 |
| J Miele | 44,317 | 82,111 | 82,111 | 31,269 | 239,808 |
| S Gadd | 78,784 | 145,970 | 145,970 | 55,589 | 426,313 |
| J Blasko | 49,240 | 91,231 | 91,231 | 34,743 | 266,445 |
| R Kilcullen | 39,392 | 72,985 | 72,985 | 27,794 | 213,156 |
| | 551,959 | 1,242,863 | 1,242,863 | 473,309 | 3,510,994 |

- 1 Represents annual SG&A expense for Scorecard LTI granted in fiscal year 2021. The fair value of each award is adjusted for changes in JHI plc's common stock price at each balance sheet date until the final scorecard rating is applied in August 2023 at which time the final values are based on the Company's share price and the senior executive's scorecard rating at time of vesting.
- 2 Represents annual SG&A expense for the ROCE RSUs granted in fiscal year 2021. The fair value of each RSU is adjusted for changes in JHI plc's common stock price at each balance sheet date until August 2023 when ROCE results are known and the Remuneration Committee makes a determination on the amount of negative discretion to be applied and some, all or none of the awards become vested.
- 3 Represents annual SG&A expense for the Relative TSR RSUs granted in fiscal 2021 with fair market value estimated using a binomial lattice model that incorporates a Monte Carlo simulation.

OUTSTANDING EQUITY AWARDS HELD BY SENIOR EXECUTIVE OFFICERS

The following tables set forth information regarding outstanding equity awards held by our Senior Executive Officers as of 30 April 2021.

Options

As of 30 April 2021, no Senior Executive Officers held stock options.

Restricted Stock Units

| Name | Grant Date | Release Date | Holding and Unvested at 2020 | Granted | Total Value at Grant ¹ (US\$) | Vested | Lapsed | Holding and Unvested at 30 April 2021 | Fair Value per RSU ² (US\$) |
|----------|------------------------|--------------|------------------------------|---------|--|----------|----------|---------------------------------------|--|
| J Truong | 21-Aug-17 ³ | 21-Aug-20 | 61,726 | 61,726 | \$ 471,019 | (61,726) | — | — \$ | 7.63 |
| | 21-Aug-17 ⁴ | 21-Aug-20 | 34,110 | 34,110 | \$ 484,086 | (21,319) | (12,791) | — \$ | 14.19 |
| | 21-Aug-17 ⁵ | 21-Aug-20 | 61,726 | 61,726 | \$ 471,019 | (20,576) | — | 41,150 \$ | 7.63 |
| | 21-Aug-17 ⁶ | 21-Aug-20 | 34,110 | 34,110 | \$ 484,086 | (7,107) | (4,263) | 22,740 \$ | 14.19 |
| | 17-Aug-18 ³ | 17-Aug-21 | 56,677 | 56,677 | \$ 494,864 | — | — | 56,677 \$ | 8.73 |
| | 17-Aug-18 ⁴ | 17-Aug-21 | 30,553 | 30,553 | \$ 444,375 | — | — | 30,553 \$ | 14.54 |
| | 6-Sep-18 ³ | 17-Aug-21 | 49,381 | 49,381 | \$ 334,255 | — | — | 49,381 \$ | 6.77 |
| | 6-Sep-18 ⁴ | 17-Aug-21 | 25,385 | 25,385 | \$ 343,817 | — | — | 25,385 \$ | 13.54 |
| | 9-Aug-19 ³ | 17-Aug-21 | 18,518 | 18,518 | \$ 138,885 | — | — | 18,518 \$ | 7.50 |
| | 9-Aug-19 ⁴ | 17-Aug-21 | 9,519 | 9,519 | \$ 131,933 | — | — | 9,519 \$ | 13.86 |
| | 17-Aug-19 ³ | 17-Aug-22 | 139,432 | 139,432 | \$ 1,489,134 | — | — | 139,432 \$ | 10.68 |
| | 17-Aug-19 ⁴ | 17-Aug-22 | 75,545 | 75,545 | \$ 1,050,831 | — | — | 75,545 \$ | 13.91 |
| | 17-Aug-20 ³ | 17-Aug-23 | — | 127,083 | \$ 2,365,015 | — | — | 127,083 \$ | 18.61 |
| | 17-Aug-20 ⁴ | 17-Aug-23 | — | 82,131 | \$ 2,104,196 | — | — | 82,131 \$ | 25.62 |
| J Miele | 16-Sep-16 ⁸ | 16-Sep-19 | 4,878 | 8,181 | \$ 87,547 | (4,080) | (798) | — \$ | 10.70 |
| | 21-Aug-17 ³ | 21-Aug-20 | 9,259 | 9,259 | \$ 70,654 | (9,259) | — | — \$ | 7.63 |
| | 21-Aug-17 ⁴ | 21-Aug-20 | 5,117 | 5,117 | \$ 72,620 | (3,198) | (1,919) | — \$ | 14.19 |
| | 17-Aug-18 ³ | 17-Aug-21 | 11,335 | 11,335 | \$ 98,969 | — | — | 11,335 \$ | 8.73 |
| | 17-Aug-18 ⁴ | 17-Aug-21 | 6,111 | 6,111 | \$ 88,881 | — | — | 6,111 \$ | 14.54 |
| | 17-Aug-19 ³ | 17-Aug-22 | 16,599 | 16,599 | \$ 177,277 | — | — | 16,599 \$ | 10.68 |
| | 17-Aug-19 ⁴ | 17-Aug-22 | 8,993 | 8,993 | \$ 125,093 | — | — | 8,993 \$ | 13.91 |
| | 25-Feb-20 ⁵ | 17-Aug-22 | 6,676 | 6,676 | \$ 90,660 | — | — | 6,676 \$ | 13.58 |
| | 25-Feb-20 ⁵ | 17-Aug-22 | 4,767 | 4,767 | \$ 85,186 | — | — | 4,767 \$ | 17.87 |
| | 17-Aug-20 ³ | 17-Aug-23 | — | 16,457 | \$ 239,778 | — | — | 16,457 \$ | 14.57 |
| | 17-Aug-20 ⁴ | 17-Aug-23 | — | 10,636 | \$ 236,226 | — | — | 10,636 \$ | 22.21 |
| S Gadd | 16-Sep-16 ⁸ | 16-Sep-19 | 21,138 | 35,451 | \$ 379,372 | (17,681) | (3,457) | — \$ | 10.70 |
| | 21-Aug-17 ³ | 21-Aug-20 | 49,380 | 49,380 | \$ 376,809 | (49,380) | — | — \$ | 7.63 |
| | 21-Aug-17 ⁴ | 21-Aug-20 | 27,288 | 27,288 | \$ 387,269 | (17,055) | (10,233) | — \$ | 14.19 |
| | 21-Aug-17 ⁵ | 21-Aug-20 | 49,380 | 49,380 | \$ 376,809 | (16,460) | — | 32,920 \$ | 7.63 |
| | 21-Aug-17 ⁶ | 21-Aug-20 | 27,288 | 27,288 | \$ 387,269 | (5,685) | (3,411) | 18,192 \$ | 14.19 |
| | 17-Aug-18 ³ | 17-Aug-21 | 45,342 | 45,342 | \$ 395,895 | — | — | 45,342 \$ | 8.73 |
| | 17-Aug-18 ⁴ | 17-Aug-21 | 24,442 | 24,442 | \$ 355,494 | — | — | 24,442 \$ | 14.54 |
| | 17-Aug-19 ³ | 17-Aug-22 | 53,117 | 53,117 | \$ 567,290 | — | — | 53,117 \$ | 10.68 |
| | 17-Aug-19 ⁴ | 17-Aug-22 | 28,779 | 28,779 | \$ 400,316 | — | — | 28,779 \$ | 13.91 |
| | 17-Aug-20 ³ | 17-Aug-23 | — | 29,256 | \$ 426,260 | — | — | 29,256 \$ | 14.57 |
| J Blasko | 17-Aug-20 ⁴ | 17-Aug-23 | — | 18,908 | \$ 419,947 | — | — | 18,908 \$ | 22.21 |
| | 16-Sep-16 ⁸ | 16-Sep-19 | 14,634 | 24,543 | \$ 262,642 | (12,241) | (2,393) | — \$ | 10.70 |
| | 21-Aug-17 ³ | 21-Aug-20 | 30,863 | 30,863 | \$ 235,509 | (30,863) | — | — \$ | 7.63 |
| | 21-Aug-17 ⁴ | 21-Aug-20 | 17,055 | 17,055 | \$ 242,043 | (10,659) | (6,396) | — \$ | 14.19 |
| | 17-Aug-18 ³ | 17-Aug-21 | 28,339 | 28,339 | \$ 247,436 | — | — | 28,339 \$ | 8.73 |
| | 17-Aug-18 ⁴ | 17-Aug-21 | 15,276 | 15,276 | \$ 222,113 | — | — | 15,276 \$ | 14.54 |
| | 17-Aug-19 ³ | 17-Aug-22 | 33,198 | 33,198 | \$ 354,555 | — | — | 33,198 \$ | 10.68 |
| | 17-Aug-19 ⁴ | 17-Aug-22 | 17,987 | 17,987 | \$ 250,199 | — | — | 17,987 \$ | 13.91 |
| | 17-Aug-20 ³ | 17-Aug-23 | — | 18,285 | \$ 266,412 | — | — | 18,285 \$ | 14.57 |
| | 17-Aug-20 ⁴ | 17-Aug-23 | — | 11,817 | \$ 262,456 | — | — | 11,817 \$ | 22.21 |

Restricted Stock Units (continued)

| Name | Grant Date | Release Date | Holding and Unvested at 1 April 2019 | Granted | Total Value at Grant ¹ (US\$) | Vested | Lapsed | Holding and Unvested at 30 April 2020 | Fair Value per RSU ² (US\$) |
|-------------|------------------------|--------------|--------------------------------------|---------|--|----------|---------|---------------------------------------|--|
| R Kilcullen | 16-Sep-16 ⁵ | 16-Sep-19 | 8,130 | 13,635 | \$ 145,912 | (6,800) | (1,330) | — | \$ 10.70 |
| | 21-Aug-17 ³ | 21-Aug-20 | 24,690 | 24,690 | \$ 188,404 | (24,690) | — | — | \$ 7.63 |
| | 21-Aug-17 ⁴ | 21-Aug-20 | 13,644 | 13,644 | \$ 193,634 | (8,528) | (5,116) | — | \$ 14.19 |
| | 17-Aug-18 ³ | 17-Aug-21 | 22,671 | 22,671 | \$ 197,947 | — | — | 22,671 | \$ 8.73 |
| | 17-Aug-18 ⁴ | 17-Aug-21 | 12,221 | 12,221 | \$ 177,747 | — | — | 12,221 | \$ 14.54 |
| | 1-Mar-19 ⁷ | 9-Dec-19 | 5,439 | 8,159 | \$ 99,213 | (2,720) | — | 2,719 | \$ 12.16 |
| | 17-Aug-19 ³ | 17-Aug-22 | 26,559 | 26,559 | \$ 283,650 | — | — | 26,559 | \$ 10.68 |
| | 17-Aug-19 ⁴ | 17-Aug-22 | 14,390 | 14,390 | \$ 200,165 | — | — | 14,390 | \$ 13.91 |
| | 17-Aug-20 ³ | 17-Aug-23 | — | 14,628 | \$ 213,130 | — | — | 14,628 | \$ 14.57 |
| | 17-Aug-20 ⁴ | 17-Aug-23 | — | 9,454 | \$ 209,973 | — | — | 9,454 | \$ 22.21 |
| | | | | | | | | | |
| | | | | | | | | | |

1 Total Value at Grant = Fair Value per RSU multiplied by number of RSUs granted. The number of RSUs granted are at maximum achievement.

2 The Fair Value of TSR RSUs is estimated on the date of grant using the binomial lattice model that incorporates a Monte Carlo simulation. The Fair Value for all other RSUs is the share price on the date of grant adjusted for the fair value of estimated dividends as the RSU holder is not entitled to dividends over the vesting period.

3 Relative TSR RSUs granted under the LTIP. These RSUs are subject to performance hurdles.

4 ROCE RSUs granted under the LTIP. These RSUs are subject to performance hurdles as well as the potential application of negative discretion.

5 Special one-time retention grant of Relative TSR RSUs granted under the LTIP. These RSUs are subject to performance hurdles and service-based vesting criteria.

6 Special one-time retention grant of ROCE RSUs granted under the LTIP. These RSUs are subject to performance hurdles and service-based vesting criteria as well as the potential application of negative discretion.

7 Special one-time retention grant of time-based RSUs granted under the 2001 Equity Incentive Plan ("2001 Plan"). These RSUs vest one-third in December 2019, 2020 and 2021

8 RSUs vested on 16 September 2020 and on 16 March 2021 in accordance with grant terms.

Scorecard LTI

| Name | Grant Date | Release Date | Holding at 1 April 2020 | Granted | Vested ¹ | Lapsed | Holding at 30 April 2021 ² |
|-------------|------------------------|--------------|-------------------------|---------|---------------------|----------|---------------------------------------|
| J Truong | 21-Aug-17 | 21-Aug-20 | 102,331 | 102,331 | (102,331) | — | — |
| | 21-Aug-17 ³ | 21-Aug-20 | 102,331 | 102,331 | (34,111) | — | 68,220 |
| | 17-Aug-18 | 17-Aug-21 | 91,659 | 91,659 | — | — | 91,659 |
| | 6-Sep-18 | 17-Aug-21 | 76,155 | 76,155 | — | — | 76,155 |
| | 31-Jan-19 | 17-Aug-21 | 28,558 | 28,558 | — | — | 28,558 |
| | 17-Aug-19 | 17-Aug-22 | 226,636 | 226,636 | — | — | 226,636 |
| | 17-Aug-20 | 17-Aug-23 | — | 246,394 | — | — | 246,394 |
| J Miele | 21-Aug-17 | 21-Aug-20 | 15,350 | 15,350 | (6,805) | (8,545) | — |
| | 17-Aug-18 | 17-Aug-21 | 18,332 | 18,332 | — | — | 18,332 |
| | 17-Aug-19 | 17-Aug-22 | 26,980 | 26,980 | — | — | 26,980 |
| | 25-Feb-20 ⁴ | 17-Aug-22 | 14,301 | 14,301 | — | — | 14,301 |
| | 17-Aug-20 | 17-Aug-23 | — | 31,907 | — | — | 31,907 |
| S Gadd | 21-Aug-17 | 21-Aug-20 | 81,865 | 81,865 | (41,478) | (40,387) | — |
| | 21-Aug-17 ³ | 21-Aug-20 | 81,865 | 81,865 | (13,826) | (13,463) | 54,576 |
| | 17-Aug-18 | 17-Aug-21 | 73,327 | 73,327 | — | — | 73,327 |
| | 17-Aug-19 | 17-Aug-22 | 86,337 | 86,337 | — | — | 86,337 |
| | 17-Aug-20 | 17-Aug-23 | — | 56,724 | — | — | 56,724 |
| J Blasko | 21-Aug-17 | 21-Aug-20 | 51,165 | 51,165 | (15,690) | (35,475) | — |
| | 17-Aug-18 | 17-Aug-21 | 45,829 | 45,829 | — | — | 45,829 |
| | 17-Aug-19 | 17-Aug-22 | 53,961 | 53,961 | — | — | 53,961 |
| | 17-Aug-20 | 17-Aug-23 | — | 35,452 | — | — | 35,452 |
| R Kilcullen | 21-Aug-17 | 21-Aug-20 | 40,932 | 40,932 | (18,146) | (22,786) | — |
| | 17-Aug-18 | 17-Aug-21 | 36,663 | 36,663 | — | — | 36,663 |
| | 17-Aug-19 | 17-Aug-22 | 43,169 | 43,169 | — | — | 43,169 |
| | 17-Aug-20 | 17-Aug-23 | — | 28,362 | — | — | 28,362 |

1 Represents the number of Scorecard LTI awards vesting after the Remuneration Committee's application of the Scorecard in respect of fiscal years 2017-2079. A detailed assessment of the reasons for the Scorecard ratings was set out in the fiscal year 2019 Remuneration Report.

2 Scorecard LTI awards in respect of fiscal years 2019-2021 will vest on 17 August 2021. A detailed assessment of the Remuneration Committee's assessment of management's performance is set out on pages 18 to 20 of this Remuneration Report.

3 Special one-time retention grant of Scorecard LTI awards granted under the LTIP, which are also subject to service-based vesting criteria.

4 Granted upon promotion to SVP, CFO; performance period ends 17 August 2022 with vesting one-third on 17 August 2022, 2023 and 2024.

REMUNERATION FOR NON-EXECUTIVE DIRECTORS

Fees paid to non-executive directors are determined by the Board, with the advice of the Remuneration Committee's independent external remuneration advisers, within the maximum total amount of base and committee fees pool approved by shareholders from time-to-time. Shareholders at the 2019 AGM approved the current maximum aggregate base and committee fee pool of US\$3.8 million per annum.

Remuneration Structure

Non-executive directors are paid a base fee for service on the Board. Additional fees are paid to the person occupying the positions of Chairman and Board Committee Chairmen, as well as for attendance at ad-hoc sub-committee meetings.

There was no increase to the non-executive director fees in fiscal year 2021.

| Position | Fiscal Year 2021 (US\$) |
|--|----------------------------|
| Chairman | 420,794 |
| Board member | 205,734 |
| Audit Committee Chair | 20,000 |
| Remuneration Committee Chair | 20,000 |
| Nominating & Governance Committee Chair | 20,000 |
| Ad-hoc Board sub-committee attendance ¹ | 3,000 |

¹ Fee is payable in respect of each ad-hoc Board sub-committee attended.

During fiscal year 2016, the Remuneration Committee reviewed and approved changes to its remuneration policy for non-executive directors, in order to ensure that the Company continues to attract highly qualified persons to serve on the Board irrespective of their tax residence. In accordance with the policy, the Company will ensure that each non-executive director does not have an increased income tax liability as a direct result of their appointment to the Board. Accordingly, non-executive directors who are resident outside of Ireland may receive supplemental compensation depending on their country of residence, if Irish income taxes levied on their director compensation exceed net income taxes owed on such compensation in their country of tax residence, assuming it had been derived solely in their country of tax residence.

On occasion, the Remuneration Committee may approve special exertion fees in the event of an extraordinary workload imposed on a director in special circumstances.

As the focus of the Board is on maintaining the Company's long-term direction and well-being, there is no direct link between non-executive directors' remuneration and the Company's short-term results.

Board Accumulation Guidelines

Non-executive directors are encouraged to accumulate a minimum of 1.5 times (and two times for the Chairman) the non-executive director base fee in shares of the Company's common stock (either personally, in the name of their spouse, or through a personal superannuation or pension plan). The Remuneration Committee reviews the guidelines and non-executive directors' shareholdings on a periodic basis.

Director Retirement Benefits

We do not provide any benefits for our non-executive directors upon termination of their service on the Board.

Total Remuneration for Non-Executive Directors for the Years Ended 31 March 2021 and 2020

The table below sets out the remuneration for those non-executive directors who served on the Board during the fiscal years ended 31 March 2021 and 2020:

(US dollars)

| Name | Primary Directors' Fees ¹ | Other Payments ² | Other Benefits ³ | TOTAL |
|---|--------------------------------------|-----------------------------|-----------------------------|-----------|
| M Hammes | | | | |
| Fiscal Year 2021 | 432,794 | 703,651 | 3,873 | 1,140,318 |
| Fiscal Year 2020 | 429,794 | 634,231 | 30,762 | 1,094,787 |
| B Anderson | | | | |
| Fiscal Year 2021 | 129,950 | — | — | 129,950 |
| Fiscal Year 2020 | 225,734 | — | 30,516 | 256,250 |
| D Harrison | | | | |
| Fiscal Year 2021 | 231,734 | 112,498 | 1,195 | 345,427 |
| Fiscal Year 2020 | 228,734 | 168,533 | 27,002 | 424,269 |
| A Littlely | | | | |
| Fiscal Year 2021 | — | — | — | — |
| Fiscal Year 2020 | 76,796 | — | 487 | 77,283 |
| R van der Meer | | | | |
| Fiscal Year 2021 | — | — | — | — |
| Fiscal Year 2020 | 73,796 | — | 781 | 74,577 |
| R Chenu⁴ | | | | |
| Fiscal Year 2021 | 122,993 | — | — | 122,993 |
| Fiscal Year 2020 | 208,734 | — | 1,811 | 210,545 |
| A Gisle Joosen | | | | |
| Fiscal Year 2021 | 217,734 | — | — | 217,734 |
| Fiscal Year 2020 | 208,734 | — | 16,621 | 225,355 |
| P Lisboa | | | | |
| Fiscal Year 2021 | 217,093 | — | — | 217,093 |
| Fiscal Year 2020 | 225,734 | — | 27,441 | 253,175 |
| A Lloyd | | | | |
| Fiscal Year 2021 | 221,777 | — | — | 221,777 |
| Fiscal Year 2020 | 205,734 | 511,305 | 34,337 | 751,376 |
| R Rodriguez | | | | |
| Fiscal Year 2021 | 217,734 | — | — | 217,734 |
| Fiscal Year 2020 | 211,734 | — | 20,680 | 232,414 |
| M Nozari | | | | |
| Fiscal Year 2021 | 205,734 | 12,937 | — | 218,671 |
| Fiscal Year 2020 | 80,417 | — | 22,248 | 102,665 |
| N Stein | | | | |
| Fiscal Year 2021 | 190,072 | — | — | 190,072 |
| Fiscal Year 2020 | — | — | — | — |
| H Wiens | | | | |
| Fiscal Year 2021 | 181,430 | — | — | 180,430 |
| Fiscal Year 2020 | — | — | — | — |
| S Rowland | | | | |
| Fiscal Year 2021 | 31,565 | — | — | 31,565 |
| Fiscal Year 2020 | — | — | — | — |
| D Seavers | | | | |
| Fiscal Year 2021 | 31,565 | — | — | 31,565 |
| Fiscal Year 2020 | — | — | — | — |
| Total Compensation for Non-Executive Directors | | | | |
| Fiscal Year 2021 | 2,432,175 | 829,086 | 5,068 | 3,266,329 |
| Fiscal Year 2020 | 2,175,941 | 1,314,069 | 212,686 | 3,702,696 |

- 1 Amount includes base, Chairman and Committee Chairman fees, as well as fees for attendance at ad hoc sub-committee meetings.
- 2 Amount for M Hammes for fiscal year 2021 relates to a supplemental compensation payment of (i) US\$497,791 in relation to income for the year ended 31 December 2019; and (ii) US\$205,860 in relation to income for the year ended 31 December 2020 in circumstances where Irish income taxes levied on director compensation exceeded net income taxes owed on such compensation in their country of tax residence and paid in accordance with the remuneration policy for non-executive directors.

Amount for D Harrison for fiscal year 2021 relates to a supplemental compensation payment of US\$112,498 in relation to income for the year ending 31 December 2019 in circumstances where Irish income taxes levied on director compensation exceeded net income taxes owed on such compensation in their country of tax residence and paid in accordance with the remuneration policy for non-executive directors.

Amount for M Nozari for fiscal year 2021 relates to a supplemental compensation payment of US\$12,937 in relation to income for the year ending 31 December 2019 in circumstances where Irish income taxes levied on director compensation exceeded net income taxes owed on such compensation in their country of tax residence and paid in accordance with the remuneration policy for non-executive directors.
- 3 Amount includes the cost of non-executive directors' fiscal compliance in Ireland, other costs connected with Board-related events paid for by the Company and tax services related to tax equalization benefits.
- 4 In addition to the compensation set forth above, Mr Chenu continues to receive certain tax services from the Company, and remains eligible for certain tax equalization benefits relative to the vesting of previously granted equity awards, stemming from his prior service as an executive officer of the Company.

Director Remuneration for the years ended 31 March 2021 and 2020

For Irish reporting purposes, the breakdown of director's remuneration between managerial services (which only relate to Dr Truong) and director services is:

| (In US dollars) | Years Ended 31 March | |
|----------------------------------|----------------------|---------------------|
| | 2021 | 2020 |
| Managerial Services ¹ | \$ 19,509,351 | \$ 5,862,529 |
| Director Services ² | 3,472,063 | 3,908,420 |
| | <u>\$ 22,981,414</u> | <u>\$ 9,770,949</u> |

- 1 Includes cash payments, non-cash benefits (examples include medical and life insurance benefits, car allowances, membership in executive wellness programs, financial planning and tax services), 401(k) benefits, and amounts expensed for outstanding equity awards for CEO J Truong.
- 2 Includes compensation for all non-executive directors, which includes base, Chairman, supplemental compensation fees (as described in footnote 2 of the table above which sets out the remuneration for non-executive directors), Committee Chairman fee and cost of non-employee directors' fiscal compliance in Ireland. It includes costs connected with Board-related events paid for by the Company and it includes a proportion of the former CEO's remuneration paid as fees for his service on the JHI plc Board in fiscal years 2021 and 2020.

SHARE OWNERSHIP AND STOCK BASED COMPENSATION ARRANGEMENTS

As of 30 April 2021 and 30 April 2020, the number of CUFS and RSUs beneficially owned by Senior Executive Officers is set forth below:

| Name | CUFS at 30 April 2021 | CUFS at 30 April 2020 | RSUs at 30 April 2021 | RSUs at 30 April 2020 |
|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| J Truong | 61,669 | — | 678,114 | 596,682 |
| J Miele | 29,997 | 18,592 | 81,574 | 73,735 |
| S Gadd | 89,216 | 67,928 | 250,956 | 326,154 |
| J Blasko | 98,578 | 64,861 | 124,902 | 157,352 |
| R Kilcullen | 21,875 | — | 102,642 | 127,744 |

As of 30 April 2021 and 30 April 2020, the number of CUFS and RSUs beneficially owned by non-executive directors is set forth below:

| Name | CUFS at 30 April 2021 | CUFS at 30 April 2020 |
|-------------------------|-----------------------------|-----------------------------|
| M Hammes ¹ | 44,109 | 44,109 |
| A Gisle Joosen | 3,920 | 3,920 |
| D Harrison ² | 19,259 | 19,259 |
| P Lisboa ³ | 3,089 | 2,389 |
| A Lloyd ⁴ | 18,000 | 18,000 |
| M Nozari ⁵ | 10,000 | 1,000 |
| R Rodriguez | 270 | — |
| S Rowland ⁶ | 2,000 | — |
| D Seavers ⁷ | 81 | — |
| N Stein ⁸ | 3,653 | — |
| H Wiens ⁹ | 6,633 | — |

¹ 35,109 CUFS held in the name of Mr and Mrs Hammes and 9,000 CUFS held as ADSs in the name of Mr and Mrs Hammes.

² 2,384 CUFS held in the name of Mr Harrison, 1,000 CUFS held as ADSs in the name of Mr Harrison and 15,875 CUFS held as ADSs in the name of Mr and Mrs Harrison.

³ 3,089 CUFS held as ADSs in the name of Mr Lisboa.

⁴ 18,000 CUFS held as ADSs in the name of Ms Lloyd.

⁵ 10,000 CUFS held as ADSs in the name of Mr Nozari.

⁶ 2,000 CUFS held as ADSs in the name of Ms Rowland.

⁷ 81 CUFS held as ADSs in the name of Mr Seavers.

⁸ 3,400 CUFS held in the name of Mr Stein and 253 CUFS held as ADSs in the name of Mr Stein.

⁹ 6,633 CUFS held as ADSs in the name of Mr Wiens.

Based on 444,288,874 shares of common stock outstanding at 30 April 2021 (all of which are subject to CUFS), no director or Senior Executive Officer beneficially owned 1% or more of the outstanding shares of the Company at 30 April 2021 and none of the shares held by directors or Senior Executive Officers have any special voting rights. As of 30 April 2021, there were no options outstanding under any of the

Company's stock-based compensation arrangements. Individual's holding RSUs have no voting or investment power over these units.

Stock-Based Compensation Arrangements

At 31 March 2021, we had the following equity award plans:

- the LTIP; and
- the 2001 Plan.

LTIP

The Company uses the LTIP as the plan for LTI grants to Senior Executive Officers and selected members of executive management. Participants in the LTIP receive grants of RSUs and Scorecard LTI, each of which is subject to performance goals. Participants and award levels are approved by the Remuneration Committee based on local market standards, and the individual's responsibility, performance and potential to enhance shareholder value. The LTIP was first approved at our 2006 AGM, and our shareholders have subsequently approved amendments to the LTIP in 2008, 2009, 2010, 2012, 2015 and 2018.

The LTIP provides for plan participants' early exercise of certain benefits or early payout under the plan in the event of a "change in control," takeover by certain organizations or liquidation. For RSUs, a "change of control" is deemed to occur if (1) a takeover bid is made to acquire all of the shares of the Company and it is recommended by the Board or becomes unconditional, (2) a transaction is announced which would result in one person owning all the issued shares in the Company, (3) a person owns or controls sufficient shares to enable them to influence the composition of the Board, or (4) a similar transaction occurs which the Board determines to be a control event. On a change of control, the Board can determine that all or some RSUs have vested on any conditions it determines, and any remaining RSUs lapse.

RSUs - From fiscal year 2009, the Company commenced using RSUs granted under the LTIP. RSUs issued under the LTIP are unfunded and unsecured contractual entitlements and generally provide for settlement in shares of our common stock, subject to performance vesting hurdles prior to vesting. Additionally, the Company has on occasion issued a small number of cash settled awards.

As of 31 March 2021, there were 2,013,210 RSUs granted and outstanding under the LTIP, as follows:

| Restricted Stock Units | | | | |
|--------------------------|----------------|---------|-------------------------------|------------------------------------|
| Grant Type | Grant Date | Granted | Vested as of 31 March 2021 | Outstanding as of 31 March 2021 |
| TSR - Retention | August 2017 | 246,903 | 42,591 | 74,070 |
| ROCE - Retention | August 2017 | 136,440 | 14,327 | 40,932 |
| TSR | August 2018 | 663,738 | — | 461,370 |
| ROCE | August 2018 | 357,797 | — | 248,706 |
| TSR | September 2018 | 49,381 | — | 49,381 |
| ROCE | September 2018 | 25,385 | — | 25,385 |
| TSR | August 2019 | 496,497 | — | 406,078 |
| ROCE | August 2019 | 268,491 | — | 219,500 |
| TSR | February 2020 | 6,676 | — | 6,676 |
| ROCE | February 2020 | 4,767 | — | 4,767 |
| TSR | August 2020 | 289,347 | — | 289,347 |
| ROCE | August 2020 | 186,998 | — | 186,998 |
| Total Outstanding | | | | 2,013,210 |

Scorecard LTI - From fiscal year 2010, the Company commenced using Scorecard LTI units granted under the LTIP. The Scorecard LTI is used by the Remuneration Committee to set strategic objectives which change from year to year, and for which performance can only be assessed over a period of time. The vesting of Scorecard LTI units is subject to the Remuneration Committee's exercise of negative discretion. The cash payment paid to award recipients is based on JHI plc's share price on the vesting date (which was amended from fiscal year 2012 to be based on a 20 trading-day closing average price).

As of 31 March 2021, there were 2,178,879 Scorecard LTI units granted and outstanding under the LTIP, as follows:

| Scorecard LTI | | |
|-----------------------|----------------|--|
| Grant Type | Grant Date | Granted and Outstanding as of 31 March 2021 |
| Scorecard - Retention | August 2017 | 122,796 |
| Scorecard | August 2018 | 746,125 |
| Scorecard | September 2018 | 76,155 |
| Scorecard | January 2019 | 28,558 |
| Scorecard | August 2019 | 629,947 |
| Scorecard | February 2020 | 14,301 |
| Scorecard | August 2020 | 560,997 |
| | | 2,178,879 |

For additional information regarding the LTIP and award grants made thereunder, see Note 16 to our consolidated financial statements.

2001 Plan

The 2001 Plan is intended to promote the Company's long-term financial interests by encouraging management below the senior executive level to acquire an ownership position in the Company and align their interests with our shareholders. Selected employees under the 2001 Plan are eligible to receive awards in the form of RSUs, nonqualified stock options, performance awards, restricted stock grants, stock appreciation rights, dividend equivalent rights, phantom stock or other stock-based benefits. Award levels are determined based on the Remuneration Committee's review of local market standards and the individual's responsibility, performance and potential to enhance shareholder value.

The 2001 Plan was first approved by our shareholders and Board in 2001 and reapproved to continue until September 2021 at the 2011 AGM. An aggregate of 45,077,100 shares of common stock were made available for issuance under the 2001 Plan, subject to adjustment in the event of a number of prescribed events set out on the 2001 Plan. Outstanding RSUs granted under the 2001 Plan generally vest at the rate of 25% on the 1st anniversary of the grant, 25% on the 2nd anniversary date and 50% on the 3rd anniversary date.

The 2001 Plan is administered by our Remuneration Committee, and the Remuneration Committee or its delegate is authorized to determine: (i) who may participate in the 2001 Plan; (ii) the number and types of awards made to each participant; and (iii) the terms, conditions and limitations applicable to each award. The Remuneration Committee has the exclusive power to interpret and adopt rules and regulations to administer the 2001 Plan, including a limited power to amend, modify or terminate the 2001 Plan to meet any changes in legal requirements or for any other purpose permitted by law.

The purchase or exercise price of any award granted under the 2001 Plan may be paid in cash or other consideration at the discretion of our Remuneration Committee, including cashless exercises.

The exercise price for all options is the market value of the shares on the date of grant. The Company may not reduce the exercise price of such an option or exchange such an option or stock appreciation right for cash, or other awards or a new option at a reduced exercise price without shareholder approval or as permitted under specific restructuring events.

No unexercised options or unvested RSUs issued under the 2001 Plan are entitled to dividends or dividend equivalent rights.

The 2001 Plan also permits the Remuneration Committee to grant stock options, performance awards, restricted stock awards, stock appreciation rights, dividend equivalent rights or other stock based benefits.

The 2001 Plan provides for the automatic acceleration of certain benefits and the termination of the plan under certain circumstances in the event of a "change in control." A change in control will be deemed to have occurred if either (1) any person or group acquires beneficial ownership equivalent to 30% of our voting securities, (2) individuals who are currently members of our Board cease to constitute at least a majority of the members of our Board, or (3) there occurs the consummation of certain mergers (other than a merger that results in existing voting securities continuing to represent more than 5% of the voting power of the merged entity or a recapitalization or reincorporation that does not result in a material change in the beneficial ownership of the voting securities of the Company), the sale of substantially all of our assets or our complete liquidation or dissolution.

Options - Until fiscal year 2008, the Company issued options to purchase shares of our common stock issued under the 2001 Plan. As of 31 March 2021, there were no options outstanding under the 2001 Plan.

RSUs - Since fiscal year 2009, the Company has issued restricted stock units under the 2001 Plan, which are unfunded and unsecured contractual entitlements for shares to be issued in the future and may be subject to time vesting or performance hurdles prior to vesting. On vesting, restricted stock units convert into shares. We granted 358,922 restricted stock units under the 2001 Plan in the fiscal year ended 31 March 2021. As of 31 March 2021, there were 593,950 restricted stock units outstanding under this plan, divided as follows:

| Restricted Stock Units | | | |
|------------------------|---------|-------------------------------|------------------------------------|
| Grant Date | Granted | Vested as of 31 March 2021 | Outstanding as of 31 March 2021 |
| December 2018 | 545,185 | 230,424 | 194,395 |
| March 2019 | 72,608 | 35,461 | 28,890 |
| June 2019 | 23,486 | 11,743 | 11,743 |
| June 2020 | 330,961 | 1,024 | 318,077 |
| August 2020 | 30,628 | | 32,628 |
| December 2020 | 7,792 | | 7,792 |
| February 2021 | 425 | | 425 |
| Total Outstanding | | | 593,950 |

For additional information regarding the 2001 Plan and award grants made thereunder, see Note 16 to our consolidated financial statements.

CORPORATE GOVERNANCE REPORT

Corporate Governance Statement

The Company believes strong corporate governance is essential to achieving both its short and long-term performance goals and to maintaining the trust and confidence of investors, employees, regulatory agencies, customers and other stakeholders. The Board follows, both formally and informally, corporate governance principles designed to assure that the Board, through its membership, composition, Board committee structure and governance practices, is able to provide informed, competent and independent guidance and oversight and thereby promote long-term shareholder value. This Corporate Governance Statement (this “**Statement**”) describes the key aspects of the Company’s corporate governance framework.

During fiscal year 2021, the Board evaluated the Company’s corporate governance framework and practices and approved this Statement. This Statement is current as at 30 April 2021.

Overall Approach to Corporate Governance

The Company operates under the regulatory requirements of numerous jurisdictions, including those of its corporate domicile (Ireland) and its principal stock exchange listings (Australia and the United States). In presenting this Statement, the Board has evaluated the Company’s corporate governance framework in relation to the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (4th Edition) (the “ASX Principles”), as well as the NYSE Corporate Governance Standards (the “NYSE Standards”).

ASX Principles

Pursuant to ASX Listing Rule 4.10.3, the Company is required to disclose in this Annual Report the extent to which it has followed the ASX Principles for fiscal year 2021 and must identify any areas where the Company has determined not to follow the ASX Principles and provide the reasons for not following them.

NYSE Standards

As a foreign private issuer with ADSs listed on the NYSE, the Company is required to disclose in this Annual Report any significant ways in which its corporate governance practices differ from those followed by domestic companies under NYSE listing standards. Based on the requirements of the NYSE Standards, the Company believes that its corporate governance framework and practices were consistent with the NYSE Standards during fiscal year 2021, except as otherwise noted below:

- Generally, in the United States, an audit committee of a public company is directly responsible for appointing the company’s independent registered public accounting firm, with such appointment being subsequently ratified by shareholders. Under Irish law, the independent registered public accounting firm is directly appointed by the shareholders where there is a new appointment. Otherwise, the appointment is deemed to continue unless the firm retires, is asked to retire or is unable to perform their duties; and
- NYSE rules require each issuer to have an audit committee, a compensation committee (equivalent to a remuneration committee) and a nominating committee composed entirely of independent directors. As a foreign private issuer, the Company does not have to comply with this requirement; however, the Board committee charters reflect Australian and Irish practices, in that such Board committees have a majority of independent directors, unless a higher number or percentage is mandated.

Availability of Key Governance Documents

This Statement, as well as the Company's Constitution, Board committee charters and the other key governance and corporate policies referenced in this Statement, as updated from time to time, are available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au) or by requesting a copy from the Company Secretary at the Company's corporate headquarters, Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland.

The Board committee charters and other key governance and corporate policies referenced in this Statement were reviewed by the Board during fiscal year 2021.

Discussion of Corporate Governance Framework and Practices

The following discussion of the Company's corporate governance framework and practices incorporates the disclosures required by the ASX Principles, and generally follows the order of the ASX Principles.

Principle 1: Lay Solid Foundations for Management and Oversight

The Role of the Board and Management

The principal role of the Board is to promote and protect shareholder value by providing strategic guidance to management and overseeing management's implementation of the Company's strategic goals and objectives. On an annual basis, the Board reviews the Company's strategic priorities with management, including the Company's business plan, and leads discussions on execution strategy, including budgetary considerations, to ensure that the Company has the appropriate resources to deliver the agreed strategy. The Board also monitors management, operational and financial performance against the Company's goals on an ongoing basis throughout the year. To enable it to do this, the Board receives operational and financial updates at every scheduled Board meeting.

The Board is accountable to shareholders by whom they are elected for delivering long-term shareholder value. To achieve this, the Board ensures that the Company has in place a framework of controls, which enables management to appraise and manage risk effectively with oversight from the Board, through clear and robust procedures and delegated authorities.

In accordance with the provisions of the Company's Constitution, the Board committee charters and other applicable governance and corporate policies, the Board has delegated a number of powers to Board committees and responsibility for the day-to-day management of the Company's affairs and the implementation of corporate strategy to the CEO. The responsibilities delegated to the CEO are established by the Board and include limits on the way in which the CEO can exercise such authority. In addition, the Board has also reserved certain matters to itself for decision, including:

- appointing, removing and assessing the performance and remuneration of the CEO and CFO;
- the appointment and removal of the Company Secretary;
- succession planning for the Board and the CEO and defining the Company's management structure and responsibilities;
- approving the overall strategy for the Company, including the business plan and annual operating and capital expenditure budgets;
- ensuring that the Company has in place an appropriate risk management framework and that the risk appetite and tolerances are set at an appropriate level;
- ensuring that the Company has in place an appropriate framework for relevant information to be reported by management to the Board;

- convening and monitoring the operation of shareholder meetings and approving matters to be submitted to shareholders for their consideration;
- approving annual and periodic reports, results announcements and related media releases, and notices of shareholder meetings;
- approving the dividend policy and interim dividends and, when appropriate, making recommendations to shareholders regarding the annual dividend;
- reviewing the authority levels of the CEO and management;
- approving the remuneration framework for the Company;
- overseeing corporate governance matters for the Company;
- approving corporate-level Company policies;
- considering management's recommendations on various matters which are above the authority levels delegated to the CEO or management;
- oversight of sustainability-related topics and strategy; and
- any other matter which the Board considers appropriate to be approved by the Board.

In discharging its duties, the Board aims to take into account, within the context of the industry in which the Company operates, the interests of the Company (including the interests of its employees), shareholders, and other stakeholders, and where possible, aligns its activities with current best practices in the jurisdictions in which the Company operates.

The full list of those matters reserved to the Board is formalized in our Board Charter. The Board Charter is available in the Corporate Governance section of our investor relations website (www.ir.jameshardie.com.au).

Board Committees

In order to ensure that the Board properly discharges its responsibilities and fulfills its oversight role, the Board has established the following standing Board committees:

- Audit Committee;
- Remuneration Committee; and
- Nominating and Governance Committee.

Additionally, from time to time, the Board may establish ad hoc Board committees to address particular matters. Each standing Board committee meets at least quarterly and has scheduled an annual calendar of meetings and discussion topics to assist it to properly discharge all of its responsibilities. Each Board committee Chair reports to the Board at each scheduled Board meeting on their activities.

Each of the standing Board committees operates under a written charter adopted by the Board. On an annual basis, each committee, with the assistance of the Nominating and Governance Committee, undertakes a review of its charter for consistency with applicable regulatory requirements and current corporate governance principles and practices. Each of the standing Board committee charters is available on the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

Full discussions of the role and oversight responsibilities for each standing committee are provided below under Principle 2 (Nominating and Governance Committee), Principle 4 (Audit Committee) and Principle 8 (Remuneration Committee).

Board and Board Committee Meetings

The Board and each of the standing Board committees meet formally at least four times a year and on an ad hoc basis as deemed necessary or appropriate. Scheduled Board meetings are normally held over a period of one or two days, with Board committee meetings also taking place during such time. This meeting structure enhances the effectiveness of the Board and the Board committees. Board and Board committee meetings are generally held at the Company's corporate headquarters in Ireland. At each scheduled meeting, the Board meets in executive session without management present for at least part of the meeting.

Prior to each scheduled Board or Board committee meeting, directors are provided timely and necessary information by Company management to allow them to fulfill their duties. The Nominating and Governance Committee periodically reviews the format, timeliness and content of information provided to the Board and Board committees. All directors receive access to all Board committee materials and may attend any Board committee meeting, whether or not they are members of such committee. Directors also receive the minutes of each committee's deliberations and findings, as well as oral reports from each Board committee Chair, at each scheduled Board meeting.

In discharging their duties, directors are provided with direct access to executive management and outside advisors and auditors.

The Board has regular discussions with the CEO and executive management regarding the Company's strategy and performance, during which Board members formally review the Company's progress. During the year, the Board and each Board committee develop and review an annual work plan created from the standing Board committee charters so that the responsibilities of each Board committee are addressed at appropriate times throughout the year.

The following table provides the composition of each standing Board committee during fiscal year 2021, as well as sets out the number of Board and Board committee meetings held, and each director's attendance:

| Name | Board | | Audit | | | Remuneration | | | Nominating & Governance | | |
|-------------------------|-------|---|--------|---|---|--------------|---|---|-------------------------|---|---|
| | H | A | Member | H | A | Member | H | A | Member | H | A |
| M Hammes | 5 | 5 | | | | • | 5 | 5 | • | 4 | 4 |
| B Anderson ¹ | 3 | 3 | • | 3 | 3 | • | 2 | 1 | | | |
| R Chenu ² | 3 | 3 | | | | • | 2 | 2 | • | 2 | 2 |
| D Harrison | 5 | 5 | • | 4 | 4 | C | 3 | 3 | • | 2 | 2 |
| A Gisle Joosen | 5 | 5 | • | 4 | 4 | | | | | | |
| P Lisboa | 5 | 5 | | | | • | 5 | 5 | • | 2 | 2 |
| A Lloyd | 5 | 5 | C | 3 | 3 | • | 3 | 3 | • | 4 | 4 |
| M Nozari | 5 | 5 | | | | • | 2 | 2 | • | 1 | 1 |
| R Rodriguez | 5 | 5 | | | | | | | • | 4 | 4 |
| S Rowland ³ | 2 | 2 | | | | | | | | | |
| D Seavers ⁴ | 2 | 2 | | | | | | | | | |
| N Stein | 5 | 5 | • | 4 | 4 | | | | C | 2 | 2 |
| H Wiens | 5 | 5 | | | | • | 4 | 4 | | | |

• Board Committee member

C Board Committee chair

H Number of meetings held during the time the director held office or was a member of the Board committee during the fiscal year.

A Number of meetings attended during the time the director held office or was a member of the Board committee during the fiscal year. Non-committee members may also attend Board committee meetings from time to time; these attendances are not shown.

¹ B Anderson retired as director at 2020 Annual General Meeting.

² R Chenu retired as director at 2020 Annual General Meeting.

³ S Rowland appointed as director in February 2021.

⁴ D Seavers appointed as director in February 2021.

Company Secretary

The Company Secretary is accountable to the Board through the Chair of the Board on all matters relative to the proper functioning of the Board. The Company Secretary is also responsible for ensuring that Board procedures are complied with. All directors have access to the Company Secretary for advice and services. The Board appoints and removes the Company Secretary. The duties required of the Company Secretary include:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and dispatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organize and facilitate the induction and professional development of directors.

Evaluation of Director Candidates

Before appointing a director or nominating a candidate to shareholders for election as a director, the Company typically undertakes background checks, including checks as to the candidate's education, experience, criminal history, bankruptcy and character. To facilitate shareholders making an informed decision on whether or not to elect or re-elect a director, the Board details in the Notice of Meeting all material information it possesses relevant to the decision. This information includes biographical details, relevant qualifications and experience and the skills they bring to the Board and details of any other material directorships currently held by the candidate as well as the term of office currently served by the director, and if the Board considers that the director is independent.

In addition, when a director is being elected for the first time, the following information will be presented in the Notice of Meeting:

- material adverse information revealed by the checks the Company has performed about the director;
- details of any interest, position, association or influence in a material respect; and
- if the Board considers that the candidate if elected, will qualify as an independent director.

Agreements with Directors and Senior Executives

Each incoming director receives a letter of appointment setting out the key terms and conditions of his or her appointment and the Company's expectations of them in that role. No benefits are provided to our non-executive directors upon termination of appointment. The Company has executive agreements in place with certain senior executives where it is in the Company's strategic interest. Certain senior executives have more specific written agreements and details of such agreements can be found in the Company's remuneration information contained in "Section 1 – Remuneration" of this Annual Report. The letter of appointment includes:

- a requirement to disclose directors' interests and any matters which could affect the director's independence;
- the requirement to comply with key corporate policies, including the Company's Code of Conduct, its Anti-Bribery and Corruption Policy and its Insider Trading policy;
- the requirement to notify the Company of, or to seek the Company's approval before accepting, any new role that could impact upon the time commitment expected of the directors or give rise to a conflict of interest;
- the Company's policy on when directors may seek independent professional advice at the expense of the Company;
- indemnity and insurance arrangements;
- ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

Management Performance Evaluations

On an annual basis, the Remuneration Committee, and subsequently the Board, review the performance of the CEO against performance measures approved by the Board and Remuneration Committee. The CEO reviews the performance of each of the CEO's direct reports throughout the year, assessing their performance against performance measures approved by the Remuneration Committee and the Board and reports to the Board through the Remuneration Committee on the outcome of those reviews annually. Performance evaluations for fiscal year 2021 were conducted in accordance with the process outlined above in April and May 2021. Further details on the assessment criteria for the CEO and other senior executive officers are set out in "Section 1 – Remuneration Report" of this Annual Report.

Board & Board Committee's Performance Evaluation

The Nominating and Governance Committee oversees the Board and Board committee's evaluation process and makes recommendations to the Board. During fiscal year 2021, the process, which was undertaken in February 2021, involved the completion of purpose-designed surveys by each director and a private discussion between the Chair of the Board and each director, and the results were reviewed and discussed by the Nominating and Governance Committee and the Board. Further, during fiscal year 2021, the Chair of the Nominating and Governance Committee discussed with the Board, the Chair's performance and contribution to the effectiveness of the Board.

Workplace Diversity

James Hardie is fully committed to becoming an inclusive and globally diverse workplace, free from any form of discrimination, prejudice, inequality or injustice, with a workforce that reflects the communities we operate in and the markets we serve. We believe fostering an environment where employees have a sense of belonging, feel comfortable and are able to do their best work, is part of our overall commitment to employee wellbeing. We recognize the value of the diverse perspectives, experiences, skills and capabilities of our global team and expect each of our employees will always be treated with respect whether in the plant, office or at a customer / vendor site and unequivocally reject any form of intolerance.

The Workplace Diversity Policy, which is located in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au), applies to all individuals recruited or employed by the Company and reflects the organization's inclusive view of diversity, which embraces individual differences related to race, gender, age, national origin, religion, sexual orientation or disability.

The Board, with assistance from management, is responsible for approving and monitoring the Company's diversity policy and measurable objectives in the context of the Company's unique circumstances and industry. The Board assesses the policy and objectives annually and the Company's progress in achieving them.

The Board has delegated responsibility to the Nominating and Governance Committee for monitoring the effectiveness of this policy to the extent it relates to diversity of the Board's composition, senior leadership, management, and the organization as a whole and for reviewing and recommending any updates to this policy, as deemed necessary.

Details of diversity composition across various levels of the organization at the end of fiscal year 2021 are set out below:

| Level | Percentage of female employees | Percentage of employees with diversity characteristics |
|--|--------------------------------|--|
| James Hardie Board ¹ | 36% (4 of 11) | 55% (6 of 11) |
| US BUSINESS ² | | |
| Senior leadership positions ³ | 16% (26 of 162) | 28% (46 of 162) |
| All management positions | 16% (71 of 437) | 33% (145 of 437) |
| Total workforce | 12% (357 of 2,904) | 40% (1,156 of 2,904) |
| NON-US BUSINESSES ⁴ | | |
| Senior leadership positions ³ | 24% (14 of 58) | |
| All management positions | 17% (43 of 258) | |
| Total workforce | 17% (311 of 1,883) | |

1 Includes gender and race diversity characteristics for the Board. CEO is reported with US Business Senior leadership positions.

2 Includes US employees with diversity characteristics including gender, race or national origin.

3 Senior Leaders are defined as individuals at senior manager and director level and above who participate in the Company and Individual Performance (CIP) Plan.

4 Race/national origin diversity characteristics vary between countries and are therefore not captured in aggregate for Non-US businesses.

The Board has a goal to maintain:

- diversity characteristics in excess of 30%; and
- women in excess of 20% among non-executive directors.

With regard to the Company's senior leadership, management, and the organization as a whole, the following table outlines the organization's five primary objectives in promoting diversity during fiscal year 2021, the actions in place or undertaken to achieve these objectives, the progress made against these objectives during fiscal year 2021 and the fiscal year 2022 plans.

| Objectives | FY21 Actions and Outcomes | FY22 Plans |
|---|---|--|
| To promote a culture of inclusion and diversity (which includes ethnicity, gender, skills, experience, and other elements that reflect a broad representation of individuals with various backgrounds). | <ul style="list-style-type: none"> Developed and launched a global inclusion and diversity program. Objectives are to align and refine our culture, define employee value proposition, grow and develop talent, and improve our hiring processes. Introduced and launched two new Employee Resource Groups in North America; one for Hispanic/Latino employees and the other for African/African American employees. Built/retrofit 4 new "mother's rooms" with appropriate accommodations and refrigeration for lactating working mothers in our NA Headquarters building. In Asia Pacific, an Inclusion and Diversity survey was undertaken to establish base line demographic data and Inclusion and Diversity committees were established across each country in the APAC region with specific localized country plans developed targeting areas identified in the survey. Asia Pacific workplaces have been reviewed and where appropriate changes have been made to cater to diverse requirements (i.e. religious and nursing mother facilities). Europe launched periodic pulse checks for the first time to improve engagement and seek feedback regarding diversity from the European workforce. | <ul style="list-style-type: none"> A global employee engagement survey will be launched and results reviewed with eye towards development of programs and initiatives to improve engagement, support diversity and further enhance our culture. Asia Pacific region will be implementing localized specific country plans for inclusion and diversity with a focus on education across the three countries. Install new locker rooms in Wijchen Netherlands plant as gender diversity at facility has progressed. |
| To ensure that recruitment and selection processes are based on merit. | <ul style="list-style-type: none"> Continued showcasing diverse talent on LinkedIn and other recruiting platforms to attract more diverse talent into the organization. As of the end of FY21 total new hires in North America were 14% female, with 4 out of 11 (36%) open Leadership roles filled by women. Results for North America's Engineering Development Program (EDP) recruits, 10 out of 28 (35%) hires were either female and/or diverse. Standardized assessments and interview methodology strategies were implemented in North America to enhance selection in recruiting diverse talent. In APAC, included a requirement for our agency panel participants to have a diverse and balanced shortlist for all roles in their service contract. | <ul style="list-style-type: none"> Recruitment of diverse candidates for management roles will continue to be a focus across all global locations including requirements to have diverse candidates interview as part of each leadership opening globally. Require our temporary employee agency partners in APAC to have a diverse and balanced shortlist for all roles in their service contract. Introduce a scholarship program for high school students local to our operations in North America with diversity characteristics as one of the selection criteria in order to create a pipeline of local talent for our organization. |
| To provide talent management and development opportunities which provide equal opportunities for all current employees. | <ul style="list-style-type: none"> Introduced global talent and organizational review processes for senior leadership roles to identify strengths, gaps and future succession. Rolled out new global leadership behaviors to all employees and included these behaviors as part of our annual performance management evaluation for each employee. Introduced global workforce planning process to determine key talent and staffing needs and skills needed on a future forward basis. Continued our Women's Initiative Network group in North America and introduced new Hispanic/Latino and African/African American employee resource groups. In Australia, members of the management team have continued to participate in a women's mentoring program as mentors and mentees. | <ul style="list-style-type: none"> Conduct global talent and organizational review processes, including succession planning throughout the organization including levels below senior leadership. Introduce employee development opportunities for corporate and office staff according to balanced gender ratio in Europe. Introduce a women's network in Europe and APAC, including outside speakers, development and networking opportunities. |

| Objectives | FY21 Actions and Outcomes | FY22 Plans |
|---|---|---|
| To reward and remunerate employees fairly across the globe. | <ul style="list-style-type: none"> Conducted the annual employee wage benchmarking study to ensure remuneration is aligned with the Company remuneration philosophy. The study again included all corporate and plant locations. Conducted a global benefits review to better understand our offerings related to local market practice and our global population's preferences and needs. The Workplace Gender Equality Act (WGEA) report is submitted to the Australian government on an annual basis. The WGEA confirmed that JH Australia is compliant with the Workplace Gender Equality Act 2012 (Act). | <ul style="list-style-type: none"> Complete a global job structure and market-based pay review in order to standardize job levels and job titles across the organization. Review will include evaluating compensation and incentive levels to ensure we are competitive with the local markets where we operate. Asia Pacific will extend the WGEA gender pay review and analysis across all countries to identify any gender pay gaps and establish an action plan to address any issues identified. |
| To provide flexible work practices across the globe. | <ul style="list-style-type: none"> Flexible working arrangements were offered across all global locations as job requirements allowed due to COVID-19 and continue to be discussed with employees throughout the organization. Paid Time-Off (PTO), family and parental leave programs were reviewed and evaluated in North America, with updated program proposed to better align with market and current best practices in FY22. In Asia Pacific, developed and launched Hardie Flex, a policy and guidelines to allow for flexible working arrangements where job requirements allow. Provided family services and employee assistance to assist in balancing work life for women and emergency cases in Europe. | <ul style="list-style-type: none"> Introduce and implement new and updated PTO, family and parental leave programs in North America. Improve part time employment opportunities within and across certain roles in Europe. Review and update the APAC Hardie Families Policy as it has been in place for 24 months. |

Principle 2: Structure the Board to Add Value

Composition of the Board

As of the date of this report, the Board comprises eleven non-executive directors and one executive director (being the CEO). In accordance with the Company's Constitution, the Board must have no less than three and not more than twelve directors, with the precise number to be determined by the Board.

| Director | Board tenure | Independence |
|---------------------|------------------|---|
| Michael Hammes | 7 February 2007 | Independent non-executive Chair |
| Jack Truong | 31 January 2019 | Chief Executive Officer, Executive director |
| David Harrison | 19 May 2008 | Independent non-executive director |
| Andrea Gisle Joosen | 20 March 2015 | Independent non-executive director |
| Persio Lisboa | 2 February 2018 | Independent non-executive director |
| Anne Lloyd | 4 November 2018 | Independent non-executive director |
| Rada Rodriguez | 13 November 2018 | Independent non-executive director |
| Moe Nozari | 6 November 2019 | Independent non-executive director |
| Nigel Stein | 14 May 2020 | Independent non-executive director |
| Harold Wiens | 14 May 2020 | Independent non-executive director |
| Suzanne B. Rowland | 4 February 2021 | Independent non-executive director |
| Dean Seavers | 4 February 2021 | Independent non-executive director |

Mr Nigel Stein and Mr Harold Wiens were appointed to the Board on 14 May 2020. Ms Suzanne Rowland and Mr Dean Seavers were appointed to the Board on 4 February 2021. For additional information on each director, see "Section 1 – Directors, Senior Management and Employees" of this Annual Report.

Mr Brian Anderson and Mr Russell Chenu retired as non-executive directors of the Board on 5 November 2020. These retirements were in line with the Board's ongoing succession plan.

Directors may be elected by the Company's shareholders at general meetings or appointed by the Board and elected at the next general meeting if there is a vacancy. A person appointed as a director by the Board must submit him or herself for election at the next AGM. The Board and our shareholders have the right to nominate candidates for the Board. Directors may be dismissed by the Company's shareholders at a general meeting. In accordance with the Company's Constitution and the ASX Listing Rules, no director (other than the CEO) shall hold office for a continuous period of more than three years without being re-elected by shareholders at an AGM. The Company's Constitution provides for a classified Board structure and the Board is divided into three classes (excluding the CEO). Upon the expiration of the term of a class of directors at an AGM, each director in that class may, if willing to act and if the Board so recommends, put themselves forward for re-election at that same AGM to serve from the time of re-election until the third AGM following his or her re-election.

The Board's overriding desire is to maximize its effectiveness by appointing the best candidates for vacancies and closely reviewing the performance of directors subject to re-election. Directors are not automatically nominated for re-election. Nomination for re-election is based on a number of factors, including an assessment of their individual performance, independence, tenure, and their skills and experience relative to the needs of the Company. The Nominating and Governance Committee and the Board discuss the performance of each director due to stand for re-election at the next AGM before deciding whether to recommend their re-election.

As part of the appointment process, the Nominating and Governance Committee, in consultation with the Board, considers the size and composition of the Board, the current range of skills, competencies and experience and the desired range of skills, as well as Board renewal, succession and diversity plans. The Nominating and Governance Committee identifies suitable candidates, with assistance from an external consultant, where appropriate, and a number of directors meet with those candidates. Prior to the Board selecting the most suitable candidate (based on a recommendation from the Nominating and Governance Committee), the Board, with the assistance of external consultants, conducts appropriate background and reference checks.

During fiscal year 2021, the Nominating and Governance Committee continued to execute its forward-looking plan for Board and Committee succession, to ensure orderly succession to key posts (including for the Chair of the Board), effective recruitment and smooth onboarding of new members (including any required transition). The plan is under regular review by the Board supported by updates and reports to the Board from the Nominating and Governance Committee.

Board refreshment and renewal continued in fiscal year 2021 with the retirement of two non-executive directors and the appointment of four new non-executive directors. It is anticipated that during fiscal year 2022, further Board refreshment and renewal will take place.

Director Independence

In accordance with the ASX Principles and the NYSE Standards, the Company requires that a majority of directors on the Board and the Board committees, as well as the Chair of the Board and each committee, be independent, unless a greater number is required to be independent under the rules and regulations of the ASX, the NYSE or other applicable regulatory body.

All directors are expected to bring their independent views and judgment to the Board and Board committees and must declare any potential or actual conflicts of interest. For a director to be considered independent, the Board must determine the director does not have any direct or indirect business or other relationship that could materially interfere with such director's exercise of independent judgment. In assessing the independence of each director, the Board considers the standards for determining director independence set forth in the ASX Principles and the NYSE Standards and evaluates all potential

conflicting relationships on a case-by-case basis, considering the materiality of each potential or actual conflict of interest.

During fiscal year 2021, the Board, with the assistance of the Nominating and Governance Committee, undertook an independence assessment of each director. The Board determined that, with the exception of Jack Truong, as CEO of the Company, each of Michael Hammes, Andrea Gisle Joosen, David Harrison, Persio Lisboa, Anne Lloyd, Moe Nozari, Rada Rodriguez, Suzanne B. Rowland, Dean Seavers, Nigel Stein and Harold Wiens is independent.

In assessing Ms Lloyd's independence, the Board considered her role as interim Chief Financial Officer of the Company for a six month period, from August 2019 to February 2020 and determined that notwithstanding her performing this role, given its short term nature she remains independent. The position held will not interfere with Ms Lloyd's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole.

In assessing the independence of Mr Hammes, the Board considered his expanded role (which concluded in late 2019) in management succession planning and, notwithstanding (i) the additional time the Chair of the Board spent with the management team, and (ii) his length of tenure, the Board believes that he has not formed an association with management that could interfere with his ability to exercise independent judgment.

The Board also believes that, notwithstanding the length of Mr Harrison's tenure, he remains independent in character and judgment and has not formed an association with management that could interfere with his ability to exercise independent judgment.

Director Qualifications and Board Diversity

The Board seeks to achieve a mix of skills, experience and expertise to maximize the effectiveness of the Board and utilizes a skills matrix in reviewing Board composition and in succession planning. The following lists the mix of skills, experience and diversity the Board has and is looking to achieve, taking into consideration the strategic objectives of the Company.

Key Board Skills and Experience

| Skill and Experience | Definition |
|---|---|
| Executive leadership | <ul style="list-style-type: none"> Successful business history at a senior executive level, including international business management. |
| Board experience | <ul style="list-style-type: none"> Experience as a non-executive director of a listed company. |
| Succession planning | <ul style="list-style-type: none"> Experience in identifying and growing talent to fill leadership and business-critical positions. |
| Strategy | <ul style="list-style-type: none"> Demonstrable ability to develop and implement successful business strategy. Experience in overseeing management for the delivery of strategic objectives. |
| Governance | <ul style="list-style-type: none"> Awareness of global governance practices and trends. Experience in the identification and resolution of regulatory issues across a wide range of jurisdictions. |
| Financial acumen/ Corporate finance | <ul style="list-style-type: none"> Experience in financial accounting and reporting and evaluating financial risks and the adequacy of financial controls. Understanding of key financial drivers of business and corporate finance. Understanding of capital markets. |
| Risk management | <ul style="list-style-type: none"> Experience in anticipating, evaluating and managing risks across various countries, regulatory systems or business environments. |
| Global experience | <ul style="list-style-type: none"> Experience in developing and implementing successful and sustainable operational/ governance structures in new geographies and jurisdictions. Exposure to different political, cultural and regulatory business environments. |
| Health, safety and environmental | <ul style="list-style-type: none"> Experience in a role with responsibility for the health and safety of employees. Experience implementing and improving health and safety processes/ management systems. Experience with social responsibility issues. |
| Human resources and executive remuneration | <ul style="list-style-type: none"> Experience leading large, diverse and geographically distributed teams, promoting inclusion and diversity. Experience in talent management and culture. Senior executive role or board experience of remuneration frameworks that aim to attract and retain high caliber of executives and other employees. |
| Manufacturing | <ul style="list-style-type: none"> Senior executive experience or technical experience in the manufacturing sector, including end-to-end supply chain and LEAN Manufacturing. |
| Market experience/ Customer Centricity/Innovation | <ul style="list-style-type: none"> Experience in next generation insight, digital and customer experience. Experience in technical innovation and new product development. Experience in retail industry and merchandise expertise. Industry Knowledge. |
| Commercial Brand Management/ Marketing | <ul style="list-style-type: none"> Experience in brand building and consumer marketing. Experience in new products commercialization. |

The Board regularly reviews its skills matrix to make sure it covers the skills needed to address existing and emerging business and governance issues relevant to the Company. During the year, we identified retail experience as an area which could be strengthened on the Board and is a key consideration in the Board renewal process, which also aligns with the Company's strategic plan.

Information regarding Board diversity can be found in the "Workplace Diversity" section above.

Directors must be able to devote a sufficient amount of time to prepare for, and effectively participate in, Board and Board committee meetings. The Nominating and Governance Committee reviews the other commitments of directors annually and otherwise, as required. In fiscal year 2021, the Nominating and Governance Committee noted that Ms Lloyd, who is considered a financial expert by virtue of her

qualifications and previous experience, serves on a total of three public company audit committees (including the Company's Audit Committee). The Board has determined that such simultaneous service does not impair the ability of Ms Lloyd to effectively serve as Chair of the Company's Audit Committee.

Biographical information for each member of the Board, along with the skills, qualifications, experience and relevant expertise for each director, and his or her date and term of appointment, are summarized in the Board biography section of this Annual Report and also appear in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

Nominating and Governance Committee

| Director | Committee tenure | Independence |
|-------------------------------|------------------|------------------------------------|
| Nigel Stein – Committee Chair | 21 October 2020 | Independent non-executive director |
| Michael Hammes | 16 November 2009 | Independent non-executive Chair |
| Rada Rodriguez | 13 November 2018 | Independent non-executive director |
| Moe Nozari | 7 February 2020 | Independent non-executive director |
| Persio Lisboa | 21 October 2020 | Independent non-executive director |

The Board has established the Nominating and Governance Committee to identify and recommend to the Board individuals qualified to become members of the Board, develop and recommend to the Board a set of corporate governance principles, and perform a leadership role in shaping the Company's corporate governance policies. The duties and responsibilities of the Nominating and Governance Committee include:

- identifying and recommending to the Board individuals qualified to become directors;
- overseeing the evaluation of the Board and senior management and formulating succession plans for the CEO, CFO and senior executives;
- assessing the independence of each director;
- reviewing the remuneration of directors;
- reviewing the conduct of the AGM; and
- performing a leadership role in shaping the Company's culture and corporate governance policies.

A more complete description of these duties and responsibilities and other Nominating and Governance Committee functions is contained in the Nominating and Governance Committee's Charter, a copy of which is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

Management Succession Planning

The Board, together with the Nominating and Governance Committee, has developed, and periodically reviews with the CEO, management succession plans, policies and procedures for the CEO and certain other members of executive management.

Retirement and Tenure Policy

The Company does not have a retirement and tenure policy. The length of tenure of individual directors is one of many factors considered by the Board when assessing the independence, performance and contribution of a director, in succession planning, and as part of the Board's decision-making process when considering whether a director should be recommended by the Board for re-election.

Related Party Transactions

Other than the compensation arrangements with our executive officers and directors, which are disclosed in “Section 1 – Remuneration” of this Annual Report, the Company has not entered into any related party transactions requiring disclosure during fiscal year 2021.

Induction and Continuing Development

The Company has an induction program for new directors, tailored to their existing skills, knowledge and experience, to position them to discharge their responsibilities effectively and to add value. The program includes an overview of the Company’s governance arrangements and directors’ duties in Ireland, the United States and Australia, plant and market tours to understand the Company’s strategic plans and impart relevant industry knowledge, briefings on the Company’s risk management and control framework, financial results and key risks and issues, and meeting other directors, the CEO and members of management. New directors are also provided with comprehensive orientation materials including relevant corporate documents and policies.

The Nominating and Governance Committee regularly assesses whether the directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues and professional development is provided for identified gaps. For example, training on key accounting matters is provided through internal and external sources for directors with little accounting skills or knowledge.

In addition, the Company regularly schedules time at Board meetings to develop the Board’s understanding of the Company’s operations, regulatory environment and material developments in laws, including updates on topical developments from management and external experts.

Board Leadership Structure

In an effort to promote the efficient undertaking of its roles and responsibilities, the Board has appointed one of its independent, non-executive members, Michael Hammes, as Chair of the Board. In his role as Chair of the Board, Mr Hammes co-ordinates the Board’s duties and responsibilities and acts as an active liaison between management and the Company’s non-executive directors, maintaining frequent contact with the CEO and being advised generally on the progress of Board and Board committee meetings. In his role as Chair of the Board, Mr Hammes also:

- provides leadership to the Board;
- chairs Board and shareholder meetings;
- facilitates Board discussions;
- monitors, evaluates and assesses the performance of the Board and Board committees; and
- is a member of and attends meetings of the Remuneration and Nominating and Governance committees.

At the behest of the Board, Mr Hammes remained heavily engaged in fiscal year 2021 in Company CEO and leadership assessment, succession, transition, and development.

Remuneration

For a detailed discussion of the Company’s remuneration policies for directors and executives, and the link between remuneration and overall corporate performance, see “Section 1 – Remuneration” of this Annual Report.

Board Accumulation Guidelines

Non-executive directors are encouraged to accumulate up to 1.5 times (and 2 times for the Chair of the Board) the base Board member fee in the Company's shares (either personally, in the name of their spouse, or through a personal superannuation or pension plan) over a reasonable time following their appointment. The Remuneration Committee reviews the guidelines and non-executive directors' shareholdings on a periodic basis.

Independent Advice and Access to Information

In addition to their access to the Company Secretary and senior management, the Board, the Board committees and individual directors may all seek independent professional advice at the Company's expense for the proper performance of their duties.

Indemnification

The Company's Constitution provides for indemnification of any person who is (or who was) a director, the Company Secretary, or an employee or any other person deemed by the Board to be an agent of the Company, who suffers any loss as a result of any action in discharge of their duties, in the absence of a willful act or default and subject to the provisions of the Irish Companies Acts.

The Company and certain of its subsidiaries have provided Deeds of Access, Insurance and Indemnity to directors and executives who are directors or officers of the Company or its subsidiaries.

Principle 3: Instill a culture of acting lawfully, ethically and responsibly

The Company's values and leadership behaviors are integral to our business and express the standards and behaviors expected of directors, senior executives and employees:

Thrive on Competition – we will execute our business strategy by never accepting the status quo and continuously striving to be better than we were yesterday;

Build on Organizational Advantage – we will win by recruiting, engaging and developing the right people through a culture that promotes innovation, high performance and growth;

Embrace Step Change – we will seek and support opportunities that drive toward the Company Mission by deviating from established practices;

Operate with Respect – we will behave with professionalism and regard toward our internal and external stakeholders, fostering a diverse environment of candid communication and ideas.

Global Code of Business Conduct

The Company seeks to maintain high standards of integrity and is committed to ensuring that the Company conducts its business in accordance with high standards of ethical behavior. The Company requires its employees to comply with both the spirit and the letter of all laws and other statutory requirements governing the conduct of the Company's activities in each country in which the Company operates. The Company has adopted a Global Code of Business Conduct (the "Code of Conduct") which applies to all of the Company's employees and directors. The Code of Conduct covers many aspects of corporate policy and addresses compliance with legal and other responsibilities to stakeholders. All directors and employees of the Company worldwide are required to review the Code of Conduct on an annual basis. As part of its oversight functions, the Audit Committee oversees the Code of Conduct and

reviews the policy on an annual basis. A copy of the Code of Conduct is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

The Company did not grant any waivers from the provisions of the Code of Conduct during fiscal year 2021.

Complaints/Ethics Hotline

The Code of Conduct provides employees with advice about who they should contact if they have information or questions regarding potential violations of the policy. Globally, the Company maintains an ethics hotline operated telephonically (except in France) by an independent external provider which allows employees to report anonymously any concerns. All Company employees worldwide are reminded annually of the existence of the ethics hotline.

All complaints, whether to the ethics hotline or otherwise, are initially reported directly to the General Counsel and Chief Compliance Officer, Employment Counsel, Chief Human Resources Officer and the Director of Internal Audit (except in cases where the complaint refers to one of them). The material complaints are referred immediately to the Chair of the Board and the Audit Committee. Less serious complaints are reported to the Audit Committee on a quarterly basis.

Interested parties who have a concern about the Company's conduct, including accounting, internal accounting controls or audit matters, may communicate directly with the Company's Chair of the Board, directors as a group, the Chair of the Audit Committee or Audit Committee members. These communications may be confidential or anonymous, and may be submitted in writing to the Company Secretary at the Company's corporate headquarters or submitted by phone on +1 312 705 6164. All concerns will be forwarded to the appropriate directors for their review and will be simultaneously reviewed and addressed by the Company's General Counsel, Chief Compliance Officer and Company Secretary in the same way that other concerns are addressed. The Company's Code of Conduct, which is described above, prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve a concern about integrity.

Insider Trading

All directors and employees of the Company are subject to the Company's Insider Trading Policy. Under the Insider Trading Policy, employees and directors may generally conduct transactions in the Company's securities during a four week period beginning two days after the announcement of quarterly or full year results, or such other periods as may be designated by the Board provided that such persons are not in possession of material, non-public information. The Insider Trading Policy also contains preclearance requirements for certain designated senior employees and directors, as well as general prohibitions on hedging activities or selling any shares for short-swing profit. There is a general prohibition on hedging unvested shares, options or RSUs.

The Board recognizes that it is the individual responsibility of each director and employee to ensure he or she complies with the Insider Trading Policy and applicable insider trading laws.

A copy of the Insider Trading Policy is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

Anti-Bribery and Corruption

James Hardie is committed to ensuring a workplace free from bribery and corruption. This zero tolerance is endorsed and supported by senior management and the Board. All employees must comply with the Company's Anti-Bribery and Corruption Policy.

All complaints, are initially reported directly to the General Counsel and Chief Compliance Officer, Employment Counsel, Chief Human Resources Officer and the Director of Internal Audit (except in cases where the complaint refers to one of them). The material complaints are referred immediately to the Chair of the Board and the Audit Committee. Less serious complaints are reported to the Audit Committee on a quarterly basis.

A copy of the Anti-Bribery and Corruption Policy is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

Principle 4: Safeguard Integrity in Corporate Reporting

Audit Committee

| Director | Committee tenure | Independence |
|------------------------------|---|------------------------------------|
| Anne Lloyd – Committee Chair | 4 November 2018 - 26 August 2019, 1 June 2020; Chair since 7 August 2020 | Independent non-executive director |
| David Harrison | 18 August 2008 | Independent non-executive director |
| Andrea Gisle Joosen | 20 March 2015 | Independent non-executive director |
| Nigel Stein | 1 June 2020 | Independent non-executive director |
| Suzanne B. Rowland | 6 November 2020 | Independent non-executive director |
| Dean Seavers | 6 November 2020 | Independent non-executive director |

The Board has established the Audit Committee to oversee the adequacy and effectiveness of the Company's accounting and financial policies and controls. The Audit Committee provides advice and assistance to the Board in fulfilling its responsibilities and, amongst other matters:

- overseeing the Company's financial reporting process and reports on the results of its activities to the Board;
- reviewing with management and the external auditor the Company's annual and quarterly financial statements and reports to shareholders; discussing earnings releases as well as information and earnings guidance provided to analysts;
- reviewing and assessing the Company's risk management strategy, policies and procedures and the adequacy of the Company's policies, processes and frameworks for managing risk;
- exercising general oversight of the appointment and provision of all external audit services to the Company, the remuneration paid to the external auditor, and the performance of the Company's internal audit function;
- reviewing the adequacy and effectiveness of the Company's internal compliance and control procedures;
- reviewing the Company's compliance with legal and regulatory requirements; and
- establishing procedures for complaints regarding accounting, internal accounting controls and auditing matters, including any complaints from whistle-blowers.

A more complete description of these and other Audit Committee functions is contained in the Audit Committee's Charter, a copy of which is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

The Audit Committee meets at least quarterly in a separate executive session with the external auditor and internal auditor, respectively. The Chair of the Audit Committee reports to the full Board following each Audit Committee meeting. As part of such report, the Chair of the Audit Committee will inform the Board of any general issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the Company's risk management framework, the performance and independence of the external auditor, or the performance of the internal audit function.

All members of the Audit Committee are financially literate and have sufficient business, industry and financial expertise to act effectively as members of the Audit Committee. In addition, in accordance with the SEC rules, the Nominating and Governance Committee and the Board have determined that Mr Harrison, Ms Lloyd and Mr Stein qualify as "audit committee financial experts". Ms Lloyd transitioned into the role of Chair of the Audit Committee, in August 2020 prior to Mr Anderson's retirement from the Board at the conclusion of the 2020 Annual General meeting in November. The skills, qualifications, experience and relevant expertise for each member are summarized in the Board biography section of this Annual Report.

Internal Audit

The Vice President of Internal Audit heads the internal audit department. It is the role of the internal audit department to provide assurance, independent of management, that the Company's internal processes, controls and procedures are operating to provide an effective financial reporting and risk management framework. The Internal Audit Charter sets out the independence of the internal audit department, its scope of work, responsibilities and audit plan. The internal audit department's work plan is approved annually by the Audit Committee. The Vice President of Internal Audit reports to the Chair of the Audit Committee and meets quarterly with the Audit Committee in executive sessions.

External Audit

Ernst & Young LLP has served as the Company's external auditor since fiscal year 2009. The external auditor reviews each quarterly and half-year consolidated financial statements and audits the full year consolidated financial statements. The external auditor attends each meeting of the Audit Committee, including an executive session where members of the Audit Committee are present. The Audit Committee has approved policies to ensure that all non-audit services performed by the external auditor, including the amount of fees payable for those services, receive prior approval. The Audit Committee also reviews the remuneration paid to the external auditor and makes recommendations to the Board regarding the maximum compensation to be paid to the external auditor and concerning their reappointment as external auditor. The lead audit engagement partner is required to rotate every five years.

The Audit Committee reviews and approves management representations made to the external auditor as part of the audit of the full year results.

Representatives of Ernst & Young LLP are present at each AGM to make a statement if they desire to do so and are available to respond to appropriate questions from shareholders.

Management Representations

Consistent with applicable SEC rules, the CEO and CFO of the Company have provided the certifications required by Section 302 and 906 of the Sarbanes Oxley Act 2002, which, among other things, certify that to the best of each individual's knowledge:

- the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Annual Report; and
- this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report.

Principle 5: Make Timely and Balanced Disclosure

Continuous Disclosure and Market Communication

The Company strives to comply with all relevant disclosure laws and listing rules in Australia (ASIC and ASX) and the United States (SEC and NYSE).

The Company's Continuous Disclosure and Market Communication Policy aims to ensure timely communications so that investors can readily:

- understand the Company's strategy and assess the quality of its management;
- examine the Company's financial position and the strength of its growth prospects; and
- receive any news or information that might reasonably be expected to materially affect the price or market for the Company securities.

Furthermore, the Company releases any new and substantive investor or analyst presentation on the ASX Market Announcements Platform ahead of the presentation.

The CEO is responsible for ensuring the Company complies with its continuous disclosure obligations. A Disclosure Committee comprised of senior management (CEO, CFO, General Counsel and the Vice President – Investor and Media Relations) is responsible for all decisions regarding market disclosure obligations outside of the Company's normal financial reporting calendar. The Nominating and Governance Committee reviewed the Continuous Disclosure and Market Communication policy and the Audit Committee reviewed the Company's disclosure practices under the Continuous Disclosure and Market Communication policy during fiscal year 2021. A copy of the Continuous Disclosure and Market Communication policy is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au).

Principle 6: Respect the Rights of Security Holders

Communication

The Company is committed to communicating effectively with the Company's shareholders and engaging them through its dedicated investor relations program that includes:

- making management briefings and presentations accessible via a live webcast and/or teleconference following the release of quarterly and annual results;
- audio webcasts of other management briefings and the annual shareholder meeting;
- a comprehensive investor relations website that displays all announcements and notices (promptly after they have been cleared by the ASX), major management and investor road show presentations;
- site visits and briefings on strategy for investment analysts;

- regular engagement with institutional shareholders to discuss a wide range of governance issues;
- an email alert service to advise shareholders and other interested parties of announcements and other events; and
- equality of access for shareholders and investment analysts to briefings, presentations and meetings and equality of media access to the Company, on a reasonable basis.

Shareholders can also elect to receive communications from the Company and its share registry, by electronic means. In addition, shareholders can communicate directly with the Company and its registry via the Company's investor relations website (www.ir.jameshardie.com.au).

Annual General Meeting

The 2020 AGM was held in Ireland and shareholders were able to participate in the AGM via teleconference of proceedings. The 2021 AGM will also be held in Ireland, and shareholders not present in Ireland who wish to participate in the meeting, including asking questions about the management of the Company, can do so via teleconference. In addition, shareholders have the opportunity to submit questions to the Company online or by returning the question form enclosed with the Notice of Meeting in advance of the meeting. Questions received from shareholders will be collated and the Chair of the Board will address as many questions as possible at the meeting. Shareholders also have the opportunity to ask questions of the external auditor at the AGM about the conduct of the audit and the preparation of the auditor's report.

Notices of Meeting are accompanied by explanatory notes which provide clear and concise information regarding the business to be transacted at the meeting.

Further details regarding the 2021 AGM will be set out in the 2021 AGM Notice of Meeting. This will be available electronically to all shareholders and made available on the Company's website.

Each shareholder (other than an ADS holder) has the right to:

- attend the AGM virtually, in person or by proxy;
- speak at the AGM; and
- exercise voting rights, including at the AGM, subject to their instructions on the Voting Instruction Form.

While ADS holders cannot vote directly, ADS holders can direct the voting of their underlying shares through the ADS depositary.

At any general meeting, and as provided in the Company's constitution, a resolution put to the vote of the meeting shall be decided on a poll.

Principle 7: Recognize and Manage Risk

Risk Management Objectives

The Company believes that sound risk management policies, procedures and controls produce a system of risk oversight, risk management and internal control that is fundamental to good corporate governance and compliance and creation of shareholder value. The objective of the Company's risk management policies, procedures and controls is to ensure that:

- the Company's principal strategic, operational and financial risks are identified and assessed;
 - the Company's risk appetite for each risk is considered;
 - effective systems are in place to monitor and manage risks; and
 - reporting systems, internal controls and arrangements for monitoring compliance with laws and regulations are adequate.
-

Risk management does not involve avoiding all risks. The Company's risk management policies seek to strike a balance between ensuring that the Company continues to generate financial returns while simultaneously managing risks appropriately by setting appropriate strategies, objectives, controls and tolerance levels.

The Company's business, operations and financial condition are subject to various risks and uncertainties, including risks related to economic and regulatory concerns. For additional information, see "Section 3 – Risk Factors" of this Annual Report which outlines the significant factors that may adversely affect the Company's business, operations, financial performance and condition or industry, and information as to how the Company manages a number of these risks.

Risk Management Framework

The Board and its standing Board committees oversee the Company's overall strategic direction, including setting risk management strategy, processes, tolerance and parameters. Generally, the Audit Committee is responsible for oversight of the Company's risk management strategy, policies, procedures and controls. As there is currently no separate Risk Committee at Board level, the Audit Committee reviews, monitors and discusses these matters with the CEO, CFO, General Counsel, Vice President of Internal Audit and other senior business leaders. The Audit Committee, CEO, CFO and General Counsel report periodically to the Board on the Company's risk management policies, processes and controls. The Audit Committee and the Board review and evaluate the Company's risk management strategies and processes on an on-going basis throughout the course of each fiscal year.

The Audit Committee is supported in its oversight role by the policies put in place by management to oversee and manage material business risks, as well as the roles played by internal risk management committees, as described below, and internal and external audit functions. The internal and external audit functions are separate from and independent of each other and each has a direct reporting line to the Audit Committee. The CEO and the CEO's direct reports are the primary management forum for risk assessment and management within the Company.

Consistent with its oversight functions, the Audit Committee reviewed the Company's risk management framework and internal controls during fiscal year 2021. As part of the review, information was reported by management to the Audit Committee to enable it to assess the effectiveness of the Company's risk management and internal control systems. In addition, consistent with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, during fiscal year 2021, management assessed the effectiveness of the Company's internal controls over financial reporting and the effectiveness of the Company's internal control over financial reporting has been audited by Ernst & Young LLP. Based on its assessment, management concluded that the Company's internal controls over financial reporting were effective as of 31 March 2021. For additional information, see "Section 3 – Controls and Procedures" of this Annual Report.

Risk Management Committee

The Company maintains management level risk committees that focus on operation-related risks in the regions in which the Company operates and corporate-related risks (the "Risk Management Committees"). The Risk Management Committees comprise a cross-functional group of employees who review and monitor the risks facing the Company from the perspective of their particular business region and area of responsibility. The Risk Management Committee is coordinated by the General Counsel. The Vice President of Internal Audit and the General Counsel also provide quarterly reports to the Audit Committee on key risks and the procedures in place for mitigating them.

Financial Statements Disclosure Committee

The Financial Statements Disclosure Committee is a management committee comprised of senior finance, accounting, compliance, legal, tax, treasury and investor relations executives in the Company, which meets with the CEO, CFO and General Counsel prior to the Board's consideration of any quarterly or annual results. The Financial Statements Disclosure Committee is a forum for the CEO, CFO and General Counsel to discuss, and, on the basis of those discussions, report to the Audit Committee, about a range of risk management procedures, policies and controls, covering the draft results materials, business unit financial performance and the current status of legal, tax, treasury, accounting, compliance, internal audit, complaints and disclosure control matters.

Policies for Management of Material Business Risks

Management has put in place a number of key policies, processes and independent controls to provide assurance as to the integrity of the Company's systems of internal control and risk management. In addition to the measures described elsewhere in this Annual Report, the more significant policies, processes or controls adopted by the Company for oversight and management of material business risks are:

- engagement with members of the Risk Management Committee, at least quarterly, to assess the key strategic, operations, reporting and compliance risks facing the Company, the level of risk and the processes implemented to manage each of these key risks over the upcoming twelve months;
- quarterly reporting to executive management, the Audit Committee, and annual reporting to the Board, of the Risk Management Committee's assessment regarding the key strategic, operations, reporting and compliance risks facing the Company;
- a program for the Audit Committee to review in detail each year the Company's general risk tolerance and all items identified by the Risk Management Committee as high focus risks;
- quarterly meetings of the Financial Statements Disclosure Committee to review all quarterly and annual financial statements and results;
- an internal audit department with a direct reporting line to the Chair of the Audit Committee;
- regular monitoring of the liquidity and status of the Company's finance facilities;
- maintaining an appropriate global insurance program;
- maintaining policies and procedures in relation to treasury operations, including the use of financial derivatives and issuing procedures requiring significant capital and recurring expenditure approvals; and
- implementing and maintaining training programs in relation to legal and regulatory compliance issues such as trade practices/antitrust, insider trading, foreign corrupt practices and anti-bribery, employment law matters, trade secrecy and intellectual property protection.

The Company has a steering committee in place to address matters relating to Environmental, Social and Governance ("ESG"). In 2020 and 2021, in line with the Company's ESG roadmap objectives, targets and initiatives were set, a review of the Company's systems and processes took place and the Company published a Sustainability Overview as part of our Annual Review in August 2020.

Limitations of Control Systems

Due to the inherent limitations in all control systems and the fact that there are resource constraints in the design of any control system, management does not expect that the Company's internal risk management and control systems will prevent or detect all error and all fraud. No matter how well it is designed and operated, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

The inherent limitations in all control systems include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls' effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Principle 8: Remunerate Fairly and Responsibly

Remuneration Committee

| Director | Committee tenure | Independence |
|----------------------------------|---|------------------------------------|
| David Harrison – Committee Chair | 26 October 2020; Chair since 26 October 2020 | Independent non-executive director |
| Michael Hammes | 16 November 2009 | Independent non-executive Chair |
| Persio Lisboa | 9 August 2018 | Independent non-executive director |
| Harold Wiens | 1 June 2020 | Independent non-executive director |
| Anne Lloyd | 26 October 2020 | Independent non-executive director |

The Remuneration Committee oversees the Company's overall remuneration structure, policies and programs, assesses whether the Company's remuneration structure establishes appropriate incentives for management and employees, and approves any significant changes in the Company's remuneration structure, policies and programs. Amongst other things, the Remuneration Committee:

- administers and makes recommendations on the Company's incentive compensation and equity-based remuneration plans for senior management;
- reviews the remuneration framework for the Company; and
- makes recommendations to the Board on the Company's recruitment, retention and termination policies and procedures for senior management.

A more complete description of these and other Remuneration Committee functions is contained in the Remuneration Committee's Charter, a copy of which is available in the Corporate Governance section of the Company's investor relations website (www.ir.jameshardie.com.au), and in "Section 1 – Remuneration Report" of this Annual Report. In addition, details of the Company's remuneration philosophy, policies, plans and procedures during fiscal year 2021 are disclosed in "Section 1 – Remuneration Report" of this Annual Report.

SECTION 2

READING THIS REPORT

Forward-Looking Statements

This Annual Report contains forward-looking statements. The Company may from time to time make forward-looking statements in its periodic reports filed with or furnished to the Securities and Exchange Commission, on Forms 20-F and 6-K, in its annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by the Company's officers, directors or employees to analysts, institutional investors, existing and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Examples of forward-looking statements include:

- statements about the Company's future performance;
- projections of the Company's results of operations or financial condition;
- statements regarding the Company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the Company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the Company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the Company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the Company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark;
- statements regarding the effect and consequences of the COVID-19 public health crisis;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- statements regarding the possible consequences and/or potential outcome of legal proceedings brought against us and the potential liabilities, if any, associated with such proceedings;
- expectations about the timing and amount of contributions to AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning the adequacy of the Company's warranty provisions and estimates for future warranty-related costs;
- statements regarding the Company's ability to manage legal and regulatory matters (including, but not limited to, product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic or housing market conditions in the regions in which we operate, including but not limited to, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “aim,” “will,” “should,” “likely,” “continue,” “may,” “objective,” “outlook” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company’s current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company’s control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under “Risk Factors” in Section 3 of this Annual Report, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former Company subsidiaries; required contributions to AICF, any shortfall in AICF funding and the effect of currency exchange rate movements on the amount recorded in the Company’s financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the Company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the Company’s products; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the Company’s customer base; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; use of accounting estimates; risk and uncertainties arising out of the COVID-19 public health crisis, including the impact of COVID-19 on our business, sales, results of operations and financial condition and all other risks identified in the Company’s reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The Company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the Company’s forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the Company’s current expectations concerning future results, events and conditions. The Company assumes no obligation to update any forward-looking statements or information except as required by law.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes, including the accounting policies affecting our financial condition and results of operations, which are fully described in Note 1 to our consolidated financial statements, presented later in this Annual Report.

In the following discussion and analysis, we intend to provide management’s explanation of the factors that have affected our financial condition and results of operations for the fiscal years covered by the financial statements included in this Annual Report, as well as management’s assessment of the factors and trends which are anticipated to have a material effect on our financial condition and results of operations in future periods.

Our Management's Discussion and Analysis is presented in the following sections and should be read in conjunction with our consolidated financial statements and the related notes, presented later in this Annual Report:

- Critical Accounting Estimates
- Operating Results
- Liquidity and Capital Allocation
- Outlook and Trend Information

Critical Accounting Estimates

As stated in Note 1 to our consolidated financial statements, the preparation of our financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported revenue and expenses during the periods presented therein.

We have identified the following most critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods:

Accounting for the AFFA

The amount of the asbestos liability has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of projected future cash flows as calculated by KPMG Actuarial ("KPMGA"). Based on their assumptions, KPMGA arrived at a range of possible total future cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows projected by the actuary to occur through 2073.

We recognize the asbestos liability in the consolidated financial statements on an undiscounted and uninflated basis. We considered discounting when determining the best estimate under US GAAP. We have recognized the asbestos liability by reference to (but not exclusively based upon) the central estimate as undiscounted on the basis that it is our view that the timing and amounts of such cash flows are not fixed or readily determinable. We considered inflation when determining the best estimate under US GAAP. It is our view that there are material uncertainties in estimating an appropriate rate of inflation over the extended period of the AFFA. We view the undiscounted and uninflated central estimate as the best estimate under US GAAP.

Adjustments in the asbestos liability due to changes in the actuarial estimate of projected future cash flows and changes in the estimate of future operating costs of AICF are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Claims paid by AICF and claims-handling costs incurred by AICF are treated as reductions in the asbestos liability balances.

In estimating the potential financial exposure, KPMGA has made a number of assumptions, including, but not limited to, assumptions related to the peak period of claims, total number of claims that are reasonably estimated to be asserted through 2073, the typical cost of settlement (which is sensitive to, among other factors, the industry in which a plaintiff claims exposure, the alleged disease type, the age of the claimant and the jurisdiction in which the action is brought), the legal costs incurred in the litigation of such claims, the rate of receipt of claims, the settlement strategy in dealing with outstanding claims and the timing of settlements. Changes to the assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

An updated actuarial assessment is performed as of 31 March each year. Any changes in the estimate will be reflected as a charge or credit to the consolidated statements of operations for the year then ended.

Inventory

Inventories are recorded at the lower of cost or net realizable value. In order to determine net realizable value, management regularly reviews inventory quantities on hand and evaluates significant items to determine whether they are excess, slow-moving or obsolete. The estimated value of excess, slow-moving and obsolete inventory is recorded as a reduction to inventory and an expense in cost of sales in the period in which it is identified. This estimate requires management to make judgments about the future demand for inventory and is therefore at risk to change from period to period. If our estimate for the future demand for inventory is greater than actual demand and we fail to reduce manufacturing output accordingly, we could be required to record additional inventory reserves, which would have a negative impact on our gross profit.

Accrued Warranty Reserve

We have offered, and continue to offer, various warranties on our products. Because our fiber cement products have only been used in North America since the early 1990s, there is a risk that these products will not perform in accordance with our expectations over an extended period of time. A typical warranty program requires that we replace defective products within a specified time period from the date of sale. We record an estimate for future warranty-related costs based on an analysis by us, which includes the historical relationship of warranty costs to installed product at an estimated remediation cost per standard foot. Based on this analysis and other factors, we adjust the amount of our warranty provisions as necessary. Although our warranty costs have historically been within calculated estimates, if our experience is significantly different from our estimates, it could result in the need for additional reserves.

Accounting for Income Tax

We recognize deferred tax assets and deferred tax liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which we expect the differences to reverse. We record a valuation allowance to reduce the deferred tax assets to the amount that we are more likely than not to realize. We must assess whether, and to what extent, we can recover our deferred tax assets. If we cannot satisfy a more-likely-than-not threshold for full or partial recovery, we must increase our income tax expense by recording a valuation allowance against the portion of deferred tax assets that we cannot recover. If facts later indicate that we will be unable to recover all or a portion of our net deferred tax assets, our income tax expense would increase in the period in which we determine that recovery does not meet the more-likely-than-not threshold.

We evaluate our uncertain tax positions in accordance with the guidance for accounting for uncertainty in income taxes. Positions taken by an entity in its income tax returns must satisfy a more-likely-than-not recognition threshold, assuming that the positions will be examined by taxing authorities with full knowledge of all relevant information, in order for the positions to be recognized in the consolidated financial statements. Each quarter we evaluate the income tax positions taken, or expected to be taken, to determine whether these positions meet the more-likely-than-not threshold. We are required to make subjective judgments and assumptions regarding our income tax positions and must consider a variety of factors, including the current tax statutes and the current status of audits performed by tax authorities in each tax jurisdiction. To the extent an uncertain tax position is resolved for an amount that varies from the recorded estimated liability, our income tax expense in a given financial statement period could be materially affected.

Goodwill and Other Intangible Assets

Goodwill is the excess of purchase price over the fair value of tangible and identifiable intangible net assets acquired in various business combinations. Goodwill is not amortized but is tested at the reporting unit level for impairment annually, or more often if indicators of impairment exist. Factors that could cause an impairment in the future could include, but are not limited to, adverse macroeconomic conditions, deterioration in industry or market conditions, decline in revenue and cash flows or increases in costs and capital expenditures compared to projected results. A goodwill impairment charge is recorded for the amount by which the carrying value of the reporting unit exceeds the fair value of the reporting unit.

Intangible assets from acquired businesses are recognized at their estimated fair values at the date of acquisition and consist of trademarks, customer relationships and other intangible assets. Finite-lived intangibles are amortized to expense over the applicable useful lives, ranging from 2 to 13 years, based on the nature of the asset and the underlying pattern of economic benefit as reflected by future net cash inflows. We perform an impairment test of intangibles annually, or whenever events or changes in circumstances indicate their carrying value may be impaired.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment, are evaluated each quarter for events or changes in circumstances that indicate that an asset might be impaired because the carrying amount of the asset may not be recoverable. These include, without limitation, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used, a current period operating or cash flow loss combined with a history of operating or cash flow losses, a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group and/or a current expectation that it is more likely than not that a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. Identifying these events and changes in circumstances, and assessing their impact on the appropriate valuation of the affected assets requires us to make judgments, assumptions and estimates.

When such indicators of potential impairment are identified, recoverability is tested by grouping long-lived assets that are used together and represent the lowest level for which cash flows are identifiable and distinct from the cash flows of other long-lived assets, which is typically at the production line or plant facility level, depending on the type of long-lived asset subject to an impairment review.

Recoverability is measured by a comparison of the carrying amount of the asset group to the estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds the estimated undiscounted future cash flows, an impairment charge is recognized at the amount by which the carrying amount exceeds the estimated fair value of the asset group.

The methodology used to estimate the fair value of the asset group is typically based on a discounted cash flow analysis or a relative, market-based approach based on purchase offers or appraisals received from third parties, that considers the asset group's highest and best use that would maximize the value of the asset group. In addition, the estimated fair value of an asset group also considers, to the extent practicable, a market participant's expectations and assumptions in estimating the fair value of the asset group. If the estimated fair value of the asset group is less than the carrying value, an impairment loss is recognized at an amount equal to the excess of the carrying value over the estimated fair value of the asset group.

In estimating the fair value of the asset group, we are required to make certain estimates and assumptions that include forecasting the useful lives of the assets, selecting an appropriate discount rate that reflects the risk inherent in future cash flows, forecasting market demand for our products and recommissioning idle assets to meet anticipated capacity constraints in the future. We have not made any material changes in the accounting methodology we use to assess impairment loss during the past three fiscal years. However, if actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to material impairment losses in future periods.

Operating Results

Year ended 31 March 2021 compared to year ended 31 March 2020

| US\$ Millions (except volume and per share data) | FY21 | FY20 | Change % |
|--|-------------------|-------------------|-----------|
| Volume (mmsf) | 4,131.4 | 3,841.7 | 8 |
| Net sales | \$ 2,908.7 | \$ 2,606.8 | 12 |
| Cost of goods sold | (1,857.0) | (1,673.1) | (11) |
| Gross profit | 1,051.7 | 933.7 | 13 |
| Selling, general and administrative expenses | (389.6) | (415.8) | 6 |
| Research and development expenses | (34.3) | (32.8) | (5) |
| Restructuring expenses | (11.1) | (84.4) | 87 |
| Asbestos adjustments | (143.9) | (58.2) | |
| Operating income | 472.8 | 342.5 | 38 |
| Interest, net | (47.8) | (54.4) | 12 |
| Loss on early debt extinguishment | (13.1) | — | |
| Other income (expense) | 0.1 | (0.1) | |
| Income before income taxes | 412.0 | 288.0 | 43 |
| Income tax expense | (149.2) | (46.5) | |
| Net income | \$ 262.8 | \$ 241.5 | 9 |
| Earnings per share - basic | \$ 0.59 | \$ 0.55 | |
| Earnings per share - diluted | \$ 0.59 | \$ 0.54 | |

Net sales increased 12% to US\$2,908.7 million, driven by higher volumes and average net sales price in all of our operating segments.

Gross profit of US\$1,051.7 million increased 13%, in line with the 12% increase in our consolidated net sales.

Selling, general and administrative ("SG&A") expenses decreased 6% primarily driven by global cost containment actions, partially offset by higher legal fees and stock compensation expenses.

R&D expenses increased 5%, due to our continued strategic focus on innovation.

Restructuring expenses for fiscal year 2021 consist solely of severance costs incurred in the first quarter related to a reduction in headcount across all regions. Fiscal year 2020 costs primarily relate to impairments of our Penrose, New Zealand and Summerville, USA plants, as

well as impairment expenses for other non-core assets.

Asbestos adjustments primarily reflect the unfavorable effect of foreign exchange on Asbestos net liabilities of US\$123.0 million, and the unfavorable movement in the actuarial adjustment.

Interest, net decreased due to the repayment of our revolving credit facility in the first quarter, as well as the voluntary redemption of our 2025 senior unsecured notes in January 2021.

Loss on early debt extinguishment consists solely of costs associated with the voluntary redemption of our 2025 senior unsecured notes, specifically US\$9.5 million of call redemption premiums and US\$3.6 million related to the acceleration of unamortized financing costs.

North America Fiber Cement Segment

Operating results for the North America Fiber Cement segment were as follows:

| US\$ Millions unless otherwise noted | FY21 | FY20 | Change |
|--|---------|---------|-----------|
| Volume (mmsf) | 2,713.4 | 2,481.6 | 9 % |
| Average net sales price per unit (per msf) | US\$745 | US\$725 | 3 % |
| Fiber cement net sales | 2,040.2 | 1,816.4 | 12 % |
| Gross profit | | | 12 % |
| Gross margin (%) | | | (0.1 pts) |
| Operating income | 585.5 | 429.3 | 36 % |
| Operating income margin (%) | 28.7 | 23.6 | 5.1 pts |
| Restructuring expenses | 2.5 | 41.2 | 94 % |
| Operating income excluding restructuring expenses | 588.0 | 470.5 | 25 % |
| Operating income margin (%) excluding restructuring expenses | 28.8 | 25.9 | 2.9 pts |

FY21 vs FY20

Net sales increased 12%, primarily driven by strong exteriors volume growth of 11%. The 3% increase in average net sales price was primarily driven by favorable product mix and strategic pricing increases during the year.

The slight decrease in gross margin is comprised of the following components:

| | |
|---|-----------|
| Higher production and distribution costs | (1.9 pts) |
| Higher average net sales price | 1.8 pts |
| Total percentage point change in gross margin | (0.1 pts) |

Higher production and distribution costs primarily resulted from unfavorable freight costs and start-up costs related to the greenfield expansion in Prattville, Alabama, partially offset by lower pulp costs and lean manufacturing savings.

SG&A expenses decreased, driven by cost containment actions, including lower headcount and reduced travel and marketing spend. As a percentage of sales, SG&A expenses decreased 3.0 percentage points.

Restructuring expenses of US\$2.5 million consist solely of severance costs recorded in the first quarter related to a reduction in headcount across the region in order to strategically realign our resources. In the prior year, restructuring expenses of US\$41.2 million includes an impairment of US\$12.0 million associated with our Summerville plant, as well as US\$29.2 million related to a variety of non-core assets.

Operating income margin increased 5.1 percentage points to 28.7%, driven by lower SG&A expenses as a percentage of sales and lower restructuring expenses.

Asia Pacific Fiber Cement Segment

The Asia Pacific Fiber Cement segment is comprised of the following regions: (i) Australia; (ii) New Zealand; and (iii) the Philippines.

Operating results for the Asia Pacific Fiber Cement segment in US dollars were as follows:

| US\$ Millions unless otherwise noted | FY21 | FY20 | Change |
|--|---------|---------|----------|
| Volume (mmsf) | 542.0 | 532.6 | 2 % |
| Average net sales price per unit (per msf) | US\$762 | US\$700 | 9 % |
| Fiber cement net sales | 458.2 | 418.4 | 10 % |
| Gross profit | | | 18 % |
| Gross margin (%) | | | 2.7 pts |
| Operating income | 124.8 | 58.5 | |
| Operating income margin (%) | 27.2 | 14.0 | 13.2 pts |
| Restructuring expenses | 3.4 | 36.3 | 91 % |
| Operating income excluding restructuring expenses | 128.2 | 94.8 | 35 % |
| Operating income margin (%) excluding restructuring expenses | 28.0 | 22.7 | 5.3 pts |

Operating results for the Asia Pacific Fiber Cement segment in Australian dollars were as follows:

| A\$ Millions unless otherwise noted | FY21 | FY20 | Change |
|--|----------|----------|----------|
| Volume (mmsf) | 542.0 | 532.6 | 2 % |
| Average net sales price per unit (per msf) | A\$1,056 | A\$1,027 | 3 % |
| Fiber cement net sales | 635.2 | 614.1 | 3 % |
| Gross profit | | | 11 % |
| Gross margin (%) | | | 2.7 pts |
| Operating income | 172.4 | 80.8 | |
| Operating income margin (%) | 27.2 | 14.0 | 13.2 pts |
| Restructuring expenses | 4.9 | 58.3 | 92 % |
| Operating income excluding restructuring expenses | 177.3 | 139.1 | 27 % |
| Operating income margin (%) excluding restructuring expenses | 28.0 | 22.7 | 5.3 pts |

FY21 vs FY20 (A\$)

Net sales increased 3%, as strong results in the last nine months of the fiscal year more than offset the lower volumes in the first quarter due to the COVID-19 government enforced lockdowns in the Philippines and New Zealand. The 3% increase in the average net sales price was driven by product and geographic mix, as well as our strategic price increases in Australia and New Zealand during the first quarter.

The increase in gross margin can be attributed to the following components:

| | |
|---|----------------|
| Higher average net sales price | 1.6 pts |
| Lower production and distribution costs | 1.1 pts |
| Total percentage point change in gross margin | <u>2.7 pts</u> |

Lower production and distribution costs were driven by favorable plant performance, partially offset by the unfavorable absorption of manufacturing costs on lower production volumes due to the idled facilities in the Philippines and New Zealand in the first quarter.

SG&A expenses decreased, primarily driven by cost containment actions, including lower headcount and reduced travel and marketing spend. As a percentage of sales, SG&A expenses decreased 2.5 percentage points.

Restructuring expenses of A\$4.9 million consist solely of severance costs, primarily associated with our strategic decision to consolidate Australia and New Zealand regional production to our two Australia based plants, and a reduction in headcount across the region to realign our resources. In the prior year, restructuring expenses of A\$58.3 million primarily relates to our decision to close our Penrose, New Zealand plant, as well as our James Hardie Systems business.

Operating income margin of 27.2% represents an increase of 13.2 percentage points, primarily driven by lower restructuring expenses, as well as a higher gross margin and lower SG&A expenses as a percentage of sales.

Europe Building Products Segment

The Europe Building Products segment is comprised of: (i) Europe Fiber Cement and (ii) Europe Fiber Gypsum.

Operating results for the Europe Building Products segment in US dollars were as follows:

| US\$ Millions unless otherwise noted | FY21 | FY20 | Change |
|--|---------|---------|-----------|
| Volume (mmsf) | 876.0 | 827.5 | 6 % |
| Average net sales price per unit (per msf) | US\$365 | US\$345 | 6 % |
| Fiber cement net sales | 55.3 | 48.0 | 15 % |
| Fiber gypsum net sales ¹ | 355.0 | 323.4 | 10 % |
| Net sales | 410.3 | 371.4 | 10 % |
| Gross profit | | | 9 % |
| Gross margin (%) | | | (0.3 pts) |
| Operating income | 37.6 | 11.2 | |
| Operating income margin (%) | 9.2 | 3.0 | 6.2 pts |
| Restructuring expenses | 5.1 | 5.5 | 7 % |
| Operating income excluding restructuring expenses | 42.7 | 16.7 | |
| Operating income margin (%) excluding restructuring expenses | 10.4 | 4.5 | 5.9 pts |

¹ Also includes cement bonded board net sales.

Operating results for the Europe Building Products segment in Euros were as follows:

| € Millions unless otherwise noted | FY21 | FY20 | Change |
|--|-------|-------|-----------|
| Volume (mmsf) | 876.0 | 827.5 | 6 % |
| Average net sales price per unit (per msf) | €312 | €311 | — % |
| Fiber cement net sales | 47.2 | 43.3 | 9 % |
| Fiber gypsum net sales ¹ | 303.4 | 290.9 | 4 % |
| Net sales | 350.6 | 334.2 | 5 % |
| Gross profit | | | 3 % |
| Gross margin (%) | | | (0.3 pts) |
| Operating income | 31.4 | 10.0 | |
| Operating income margin (%) | 9.2 | 3.0 | 6.2 pts |
| Restructuring expenses | 4.5 | 4.9 | 8 % |
| Operating income excluding restructuring expenses | 35.9 | 14.9 | |
| Operating income margin (%) excluding restructuring expenses | 10.4 | 4.5 | 5.9 pts |

1 Also includes cement bonded board net sales.

FY21 vs FY20 (€)

Net sales increased 5%, driven by increases in fiber cement and fiber gypsum net sales of 9% and 4%, respectively. These increases were primarily driven by our continued execution of our shift to a customer integrated approach in the last nine months, partially offset by the 12% decrease in the first quarter resulting from the COVID-19 government enforced lockdowns.

The decrease in gross margin is attributed to the following components:

| | |
|---|-----------|
| Higher production and distribution costs | (0.6 pts) |
| Higher average net sales price | 0.3 pts |
| Total percentage point change in gross margin | (0.3 pts) |

Higher production and distribution costs resulted primarily from the unfavorable absorption of manufacturing costs on lower production volumes in the first quarter, including the impact of the COVID-19 related closures of our manufacturing plants in Orejo, Spain and Siglingen, Germany, partially offset by lean manufacturing savings.

SG&A expenses decreased due to lower headcount and reduced travel and marketing spend. As a percentage of sales, SG&A expenses decreased 6.3 percentage points.

Restructuring expenses of €4.5 million consist solely of severance costs, primarily associated with the reduction of headcount across the region to strategically realign our resources. In the prior year, restructuring expenses primarily relate to the impairment of non-core assets.

Operating income margin of 9.2% increased 6.2 percentage points, driven by lower SG&A expenses as a percentage of sales.

General Corporate

Results for General Corporate were as follows:

| US\$ Millions | FY21 | FY20 | Change % |
|---|-------------------|-------------------|-------------|
| General Corporate SG&A expenses | \$ (101.1) | \$ (68.2) | (48) |
| Asbestos: | | | |
| Asbestos adjustments | (143.9) | (58.2) | |
| AICF SG&A expenses | (1.2) | (1.7) | 29 |
| Restructuring expenses | — | (1.4) | |
| General Corporate operating loss | \$ (246.2) | \$ (129.5) | (90) |

General Corporate SG&A expenses increased US\$32.9 million, driven by higher stock compensation expenses due to the increase in our stock price, as well as higher legal fees.

Asbestos adjustments primarily reflect the non-cash foreign exchange re-measurement impact on asbestos related balance sheet items, driven by the change in the AUD/USD spot exchange rate from the beginning balance sheet date to the ending balance sheet date, as well as the annual actuarial adjustment recorded in line with KPMGA's actuarial report.

The AUD/USD spot exchange rates are shown in the table below:

| FY21 | FY20 |
|----------------------|----------------------|
| 31 March 2020 0.6177 | 31 March 2019 0.7096 |
| 31 March 2021 0.7601 | 31 March 2020 0.6177 |
| Change (\$) 0.1424 | Change (\$) (0.0919) |
| Change (%) 23 | Change (%) (13) |

Asbestos adjustments recorded by the Company were made up of the following components:

| US\$ Millions | FY21 | FY20 |
|--|-------------------|------------------|
| Increase in actuarial estimate | \$ (32.5) | \$ (128.0) |
| Effect of foreign exchange rate movements | (123.0) | 69.0 |
| Gain on foreign currency forward contracts | 11.7 | 0.8 |
| Other | (0.1) | — |
| Asbestos adjustments | \$ (143.9) | \$ (58.2) |

The increase in the actuarial adjustment for fiscal year 2021 is due to the annual inflation adjustment, partially offset by favorable claims reporting and lower claims sizes.

During fiscal year 2021, mesothelioma claims reporting activity was favorable compared to actuarial expectations and the prior year, primarily driven by lower direct claims which typically cost significantly more than cross claims. In addition, as claimants' ages continue to increase, this has had a favorable effect on average claim size. As a result of these lower mesothelioma claims and lower average claims size, Asbestos gross cash outflows of A\$153.7 million for fiscal year 2021 were 10% below the actuarial expectation. Changes to the assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

Potential variation in the estimated peak period of claims has an impact much greater than the other assumptions used to derive the discounted central estimate. In performing the sensitivity assessment of

the estimated incidence pattern reporting for mesothelioma, if the pattern of incidence was shifted by two years, the central estimate could increase by approximately 21% on a discounted basis.

Readers are referred to Note 12 to our consolidated financial statements for further information on asbestos.

The following is an analysis of claims data for the fiscal years ended 31 March:

| | FY21 | FY20 | Change % |
|---|---------|---------|----------|
| Claims received | 545 | 657 | 17 |
| Direct claims | 392 | 449 | 13 |
| Cross claims | 153 | 208 | 26 |
| Actuarial estimate for the period | 624 | 564 | (11) |
| Difference in claims received to actuarial estimate | 79 | (93) | |
| Average claim settlement (A\$) | 248,000 | 277,000 | 10 |
| Actuarial estimate for the period (A\$) | 296,000 | 306,000 | 3 |
| Difference in claims paid to actuarial estimate | 48,000 | 29,000 | |

For the fiscal year ended 31 March 2021, we noted the following related to asbestos-related claims:

- Net cash outflow was 13% below actuarial expectations;
- Gross cash outflow was 10% below actuarial expectations;
- Total claims received were 13% below actuarial expectations and 17% below fiscal year 2020;
- Mesothelioma claims reported were 9% below actuarial expectations and 13% below fiscal year 2020;
- Number of claims settled were 8% below actuarial expectations and 3% below fiscal year 2020;
- Average claim settlement was 16% below actuarial expectations and 10% below fiscal year 2020; and
- Average claim settlement sizes were lower than actuarial expectations for all mesothelioma age groups.

Interest, net

| US\$ Millions | FY21 | FY20 | Change % |
|--------------------------|------------------|------------------|-----------|
| Gross interest expense | \$ (58.0) | \$ (66.9) | 13 |
| Capitalized interest | 9.5 | 9.5 | — |
| Interest income | 0.2 | 1.6 | (88) |
| Net AICF interest income | 0.5 | 1.4 | (64) |
| Interest, net | \$ (47.8) | \$ (54.4) | 12 |

Gross interest expense decreased US\$8.9 million, primarily due to the repayment of our revolving credit facility in the first quarter and the redemption of our 2025 senior unsecured notes in the fourth quarter.

Income Tax Expense

| | FY21 | FY20 |
|------------------------------------|---------|--------|
| Income tax expense (US\$ Millions) | (149.2) | (46.5) |
| Effective tax rate (%) | 36.2 % | 16.1 |

The effective tax rate increased 20.1 percentage points, primarily due to Asbestos and tax adjustments and a change in geographic mix.

Year ended 31 March 2020 compared to year ended 31 March 2019

Readers are referred to the "Management's Discussion and Analysis" in Section 2 our fiscal year 2020 Form 20-F filed with the SEC on 19 May 2020 for comparative analysis relating to fiscal years 2020 and 2019.

Liquidity and Capital Allocation

Overview

Our treasury policy regarding liquidity management, foreign exchange risk management, interest rate risk management and cash management is administered by our treasury department which is centralized in Ireland. The policy is reviewed annually and is designed to ensure that we have sufficient liquidity to support our business activities and meet future business requirements in the countries in which we operate. We aim to mitigate certain risks associated with fluctuations in interest rates and foreign currency. Our strategies to reduce such risks may result in us entering into non-speculative interest rate swaps and foreign currency forward contracts. For a more detailed discussion on our financial instruments, see Note 13 to our consolidated financial statements. For a more detailed discussion on foreign currency exchange rate and interest rate risks, see 'Quantitative and Qualitative Disclosures About Market Risk' in Section 3 of this document.

Our cash position increased by US\$64.1 million, from US\$144.4 million at 31 March 2020 to US\$208.5 million at 31 March 2021.

Our gross debt balance reduced from US\$1,370.7 million at 31 March 2020, to US\$868.3 million as of 31 March 2021, primarily a result of our voluntary redemption of our US\$400.0 million 2025 senior unsecured notes. In addition, at 31 March 2021, we had no amounts drawn from our US\$500.0 million unsecured revolving facility, compared to US\$130.0 million at 31 March 2020. Subsequent to 31 March 2021, we drew US\$110.0 million under our revolving credit facility to partially fund the payment of the fiscal year 2021 special dividend.

Sources of Liquidity

During fiscal year 2021, we met our liquidity and capital requirements through a mix of external debt facilities, cash reserves and cash flows from operations. These internal and external sources of liquidity were primarily used during fiscal year 2021 to reduce our debt, fund expansion, renovation and maintenance of production capacity, fund our annual contribution to AICF in accordance with the terms of the AFFA, and fund our working capital requirements, consisting primarily of inventory, accounts receivable and accounts payable. While our working capital requirements fluctuate seasonally during months of the year when overall construction and renovation volumes increase, such fluctuations, generally, have not had a significant impact on our short-term or long-term liquidity.

There are certain restrictions that are either imposed upon us as an Irish plc operating under Irish law, or imposed upon us as a party to the AFFA, which may restrict the ability of subsidiaries to transfer funds to us in the form of cash dividends, loans or advances. For more detailed discussion on these restrictions, see "Section 3 – Risk Factors." Even with these restrictions, based on our existing cash balances, together with anticipated operating cash flows and unutilized credit facilities, we anticipate we will have sufficient funds to meet our planned working capital and other expected cash requirements for the next twelve months.

Cash Flow

| | FY21 | FY20 | Change | Change % |
|---|----------|----------|----------|----------|
| Net cash provided by operating activities | \$ 786.9 | \$ 451.2 | \$ 335.7 | 74 |
| Net cash used in investing activities | (120.4) | (203.8) | 83.4 | 41 |
| Net cash used in financing activities | (540.2) | (179.0) | (361.2) | |

Significant sources and uses of cash during fiscal year 2021 included:

- Cash provided by operating activities:
 - Higher net sales and profitability in each of our regions led to net income, adjusted for non-cash items, of US\$692.4 million;
 - Working capital improvements: US\$98.7 million related to a reduction in inventory as we continue to execute our strategy to integrate our supply chain with our customers, and US\$6.6 million due to improvements in accounts receivable and accounts payable balances;
 - US Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") tax refund of US\$64.8 million; and
 - Asbestos claims paid of US\$105.3 million.
- Cash used in investing activities:
 - Capital expenditures of US\$110.7 million, primarily related to capacity expansion in Prattville, Alabama and Carole Park, Australia, as well as other maintenance projects.
- Cash used in financing activities:
 - Repayment of entire US\$130.0 million balance on our revolving credit facility;
 - Redemption of US\$400.0 million 2025 senior unsecured notes; and
 - Payment of US\$9.5 million call premium to note holders.

Borrowings

At 31 March 2021 and 2020, our borrowings were US\$858.6 million US\$1,354.6 million, respectively. See the following table for a summary of our borrowings:

| (Millions of US dollars) | 31 March 2021 | 31 March 2020 |
|---|------------------|-------------------|
| Senior unsecured notes: | | |
| Principal amount 4.750% notes due 2025 | \$ — | \$ 400.0 |
| Principal amount 3.625% notes due 2026 (€400.0 million) | 468.3 | 440.7 |
| Principal amount 5.000% notes due 2028 | 400.0 | 400.0 |
| Total | 868.3 | 1,240.7 |
| Unsecured revolving credit facility | — | 130.0 |
| Unamortized debt issuance costs | (9.7) | (16.1) |
| Total Long-term debt | \$ 858.6 | \$ 1,354.6 |
| Weighted average interest rate of Long-term debt | 4.3 % | 4.3 % |

Interest on our 3.625% notes due 2026 is payable semi-annually in arrears on 1 October and 1 April of each year. Interest on our 5.000% notes due 2028 is payable semi-annually in arrears on 15 January and 15 July of each year.

As of 31 March 2021, we had a US\$500.0 million unsecured revolving credit facility (the “Revolving Credit Facility”) which can be drawn in US dollars with variable interest rates based on London Interbank Offered Rate (“LIBOR”) plus margin. The Revolving Credit Facility's amended expiration date is December 2022 and the size of the facility may be increased by up to US\$250.0 million. At 31 March 2021, the Company had outstanding borrowings of nil, and US\$4.7 million of issued but undrawn letters of credit and bank guarantees. These letters of credit and bank guarantees relate to various operational matters including insurance, performance bonds and other items, leaving the Company with US\$495.3 million of available borrowing capacity under the Revolving Credit Facility.

Readers are referred to Note 10 of our 31 March 2021 consolidated financial statements for further information on our borrowings.

Capital Expenditures and Lease Obligations

Our total capital expenditures for fiscal years 2021 and 2020 were US\$110.7 million and US\$193.8 million, respectively. We expect our capital expenditures to be approximately US\$250.0 million annually for the next three fiscal years.

Refer to “Section 1 – Property, Plants and Equipment – Capital Expenditures” for further discussion and a listing of our significant capital expenditures in fiscal years 2021 and 2020.

Refer to Note 8 of our 31 March 2021 consolidated financial statements for our future lease payments for non-cancellable leases at 31 March 2021.

Capital Management

We periodically review our capital structure and capital allocation objectives and expect the following capital management focus in the short term:

- Preserve strong liquidity position and financial flexibility;
- Invest in capacity expansion and market led innovation to support organic growth;
- Maintain leverage ratio of 1-2x; and
- Return capital to shareholders
 - Returned over US\$300 million through special dividend in April 2021
 - Reinstating ordinary dividends in fiscal year 2022, beginning with a half-year dividend to be declared in November 2021.

AICF funding

We funded US\$153.3 million to AICF during fiscal year 2021, as provided under the AFFA. From the time AICF was established in February 2007 through the date of this Annual Report, we have contributed approximately A\$1,571.0 million to the fund.

We anticipate that we will make contributions totaling approximately US\$252.6 million to AICF during fiscal year 2022. This amount represents 35% of our free cash flow of US\$721.6 million. Our free cash flow, as defined by the AFFA, is our operating cash flow per US GAAP in effect in December 2004. To reconcile our current year operating cash flow of US\$786.9 million to 2004 US GAAP, a US\$65.3 million adjustment is required.

Readers are referred to Notes 1 and 12 to our consolidated financial statements for further information on asbestos.

Outlook and Trend Information

James Hardie continues to assess the impacts and the uncertainties of the COVID-19 pandemic on the geographic locations in which we operate, and the continuing impact of the pandemic on James Hardie's business and future financial performance still remains uncertain.

We expect growth in US residential end markets to continue into fiscal year 2022. A number of external factors will contribute to demand for our products, including improvement in United States' GDP, lower unemployment level, improvement in consumer confidence levels, sustainable household debt levels, historically low interest rates, stability in home prices and new household formation. Our expanded focus for fiscal year 2022 and beyond is to execute on the three strategic initiatives that we introduced in February 2021. This includes commercializing global product innovation, further penetrating into existing and new market opportunities, and extending the James Hardie brand from a premium professional brand into a market-leading consumer brand. We are on or ahead of plan for each of these initiatives.

We are the largest fiber cement producer in North America with ten plants. The scale of our operations and manufacturing capabilities improves our position with distributors who continue to experience increased demand for fiber cement products and seek a partner whom can manufacture and deliver the volume required on a timely basis. The plants are positioned near attractive markets in the United States to help minimize transportation costs for product distribution and raw material sourcing. Input costs including raw materials, labor and freight costs have fluctuated year over year and we are actively engaged in mitigating actions to moderate any future increases.

In Australia, it is anticipated that our addressable underlying market will increase in fiscal year 2022 compared to fiscal year 2021. Net sales from our Australian business are expected to trend above the

average growth of the domestic repair and remodel and single family detached housing markets in the eastern states of Australia.

We expect our Europe Building Product segment to achieve year on year net sales and operating income margin growth.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of James Hardie Industries plc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of James Hardie Industries plc (the Company) as of 31 March 2021 and 2020, the related consolidated statements of operations and comprehensive income, changes in shareholders' equity (deficit) and cash flows for each of the three years in the period ended 31 March 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at 31 March 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended 31 March 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of 31 March 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated 18 May 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Asbestos Liability Valuation*Description of the Matter*

At 31 March 2021, the aggregate asbestos liability was US\$1,135.8 million. As disclosed in Note 12 to the consolidated financial statements, the liability relates to an agreement to provide long-term funding to the Asbestos Injuries Compensation Fund ("AICF"), a special purpose fund established to provide compensation of proven Australian-related personal injuries.

Auditing management's estimate of the asbestos liability is challenging because the estimation process is based on actuarial estimates of projected future cash flows which are inherently uncertain. The projected cash flows are complex and use subjective assumptions including the projected number of claims, estimated cost of settlement per claim, inflation rates, legal costs, and timing of receipt of claims and settlements.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's internal controls over the identification of claims, review of calculations performed by the Company's third-party actuary and management's review of the use of historical claim data and actuarial assumptions mentioned above to project the future liability.

To evaluate the estimate of the asbestos liability, our audit procedures included, among others, testing the underlying claims data used in the calculation to internal and external data on a sample basis. We involved our actuarial specialists to assist in evaluating the methodologies and key assumptions mentioned above to independently develop a range for the asbestos liability and compare that range to management's recorded liability. We also assessed the adequacy of the related disclosures in the Company's consolidated financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.
Irvine, California
18 May 2021

| (Millions of US dollars) | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 208.5 | \$ 144.4 |
| Restricted cash and cash equivalents | 5.0 | 5.0 |
| Restricted cash and cash equivalents - Asbestos | 104.9 | 36.4 |
| Restricted short-term investments - Asbestos | 26.6 | 21.6 |
| Accounts and other receivables, net | 333.2 | 363.3 |
| Inventories | 218.3 | 305.1 |
| Prepaid expenses and other current assets | 38.9 | 26.1 |
| Insurance receivable - Asbestos | 6.6 | 5.0 |
| Workers' compensation - Asbestos | 1.6 | 1.5 |
| Total current assets | 943.6 | 908.4 |
| Property, plant and equipment, net | 1,372.3 | 1,341.7 |
| Operating lease right-of-use-assets | 46.4 | 40.5 |
| Finance lease right-of-use-assets | 2.7 | 1.7 |
| Goodwill | 209.3 | 196.9 |
| Intangible assets, net | 173.9 | 166.7 |
| Insurance receivable - Asbestos | 42.9 | 38.5 |
| Workers' compensation - Asbestos | 20.3 | 20.7 |
| Deferred income taxes | 906.8 | 989.4 |
| Deferred income taxes - Asbestos | 367.4 | 319.1 |
| Other assets | 3.4 | 4.7 |
| Total assets | \$ 4,089.0 | \$ 4,028.3 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 307.0 | \$ 274.7 |
| Accrued payroll and employee benefits | 112.5 | 87.1 |
| Operating lease liabilities | 7.8 | 14.3 |
| Finance lease liabilities | 1.0 | 0.5 |
| Accrued product warranties | 6.0 | 7.0 |
| Income taxes payable | 6.6 | 8.9 |
| Asbestos liability | 122.2 | 103.9 |
| Workers' compensation - Asbestos | 1.6 | 1.5 |
| Dividends payable | 303.7 | — |
| Other liabilities | 32.7 | 12.1 |
| Total current liabilities | 901.1 | 510.0 |
| Long-term debt | 858.6 | 1,354.6 |
| Deferred income taxes | 86.3 | 81.9 |
| Operating lease liabilities | 53.3 | 41.4 |
| Finance lease liabilities | 1.9 | 1.5 |
| Accrued product warranties | 33.6 | 35.4 |
| Income taxes payable | 4.7 | 21.3 |
| Asbestos liability | 1,013.6 | 882.5 |
| Workers' compensation - Asbestos | 20.3 | 20.7 |
| Other liabilities | 54.8 | 43.7 |
| Total liabilities | 3,028.2 | 2,993.0 |
| Commitments and contingencies (Note 14) | | |
| Shareholders' equity: | | |
| Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 444,288,874 shares issued and outstanding at 31 March 2021 and 443,144,740 shares issued and outstanding at 31 March 2020 | 231.4 | 230.6 |
| Additional paid-in capital | 224.6 | 207.3 |
| Retained earnings | 611.4 | 659.5 |
| Accumulated other comprehensive loss | (6.6) | (62.1) |
| Total shareholders' equity | 1,060.8 | 1,035.3 |
| Total liabilities and shareholders' equity | \$ 4,089.0 | \$ 4,028.3 |

The accompanying notes are an integral part of these consolidated financial statements.

| (Millions of US dollars, except per share data) | Years Ended 31 March | | |
|--|----------------------|------------|------------|
| | 2021 | 2020 | 2019 |
| Net sales | \$ 2,908.7 | \$ 2,606.8 | \$ 2,506.6 |
| Cost of goods sold | (1,857.0) | (1,673.1) | (1,675.6) |
| Gross profit | 1,051.7 | 933.7 | 831.0 |
| Selling, general and administrative expenses | (389.6) | (415.8) | (403.6) |
| Research and development expenses | (34.3) | (32.8) | (37.9) |
| Restructuring expenses | (11.1) | (84.4) | (15.9) |
| Asbestos adjustments | (143.9) | (58.2) | (22.0) |
| Operating income | 472.8 | 342.5 | 351.6 |
| Interest, net | (47.8) | (54.4) | (50.1) |
| Loss on early debt extinguishment | (13.1) | — | (1.0) |
| Other income (expense) | 0.1 | (0.1) | 0.1 |
| Income before income taxes | 412.0 | 288.0 | 300.6 |
| Income tax expense | (149.2) | (46.5) | (71.8) |
| Net income | \$ 262.8 | \$ 241.5 | \$ 228.8 |
| Income per share: | | | |
| Basic | \$ 0.59 | \$ 0.55 | \$ 0.52 |
| Diluted | \$ 0.59 | \$ 0.54 | \$ 0.52 |
| Weighted average common shares outstanding (Millions): | | | |
| Basic | 443.7 | 442.6 | 441.9 |
| Diluted | 445.4 | 444.1 | 443.0 |
| Comprehensive income, net of tax: | | | |
| Net income | \$ 262.8 | \$ 241.5 | \$ 228.8 |
| Cash flow hedges | — | — | (0.1) |
| Pension adjustments | (0.4) | 0.8 | — |
| Currency translation adjustments | 55.9 | (32.6) | (28.9) |
| Comprehensive income | \$ 318.3 | \$ 209.7 | \$ 199.8 |

The accompanying notes are an integral part of these consolidated financial statements.

| (Millions of US dollars) | Years Ended 31 March | | |
|---|----------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 |
| Cash Flows From Operating Activities | | | |
| Net income | \$ 262.8 | \$ 241.5 | \$ 228.8 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 135.0 | 131.5 | 119.4 |
| Lease expense | 17.0 | 18.1 | — |
| Deferred income taxes | 85.8 | 64.0 | 12.7 |
| Stock-based compensation | 18.0 | 10.3 | 12.5 |
| Asbestos adjustments | 143.9 | 58.2 | 22.0 |
| Excess tax benefits from share-based awards | (3.5) | (0.4) | — |
| Restructuring expenses | — | 77.4 | 15.9 |
| Loss on early debt extinguishment | 13.1 | — | 1.0 |
| Other, net | 20.3 | 17.2 | 16.3 |
| Changes in operating assets and liabilities: | | | |
| Accounts and other receivables | 46.4 | (118.6) | (18.1) |
| Inventories | 98.7 | 3.2 | (28.6) |
| Lease assets and liabilities, net | (19.1) | (15.6) | — |
| Prepaid expenses and other assets | (14.2) | (2.6) | (1.7) |
| Insurance receivable - Asbestos | 5.8 | 7.6 | 4.8 |
| Accounts payable and accrued liabilities | 25.0 | 45.1 | 3.5 |
| Claims and handling costs paid - Asbestos | (106.4) | (105.6) | (108.8) |
| Income taxes payable | (14.7) | (11.0) | 8.8 |
| Other accrued liabilities | 73.0 | 30.9 | 15.5 |
| Net cash provided by operating activities | \$ 786.9 | \$ 451.2 | \$ 304.0 |
| Cash Flows From Investing Activities | | | |
| Purchases of property, plant and equipment | \$ (110.7) | \$ (193.8) | \$ (317.5) |
| Proceeds from sale of property, plant and equipment | 1.6 | 8.0 | — |
| Capitalized interest | (9.5) | (9.5) | (5.4) |
| Acquisition of business, net of cash acquired | — | — | (558.7) |
| Purchase of restricted short-term investments - Asbestos | (25.0) | (75.5) | (89.1) |
| Proceeds from restricted short-term investments - Asbestos | 23.2 | 67.0 | 106.3 |
| Net cash used in investing activities | \$ (120.4) | \$ (203.8) | \$ (864.4) |
| Cash Flows From Financing Activities | | | |
| Proceeds from credit facilities | \$ — | \$ 330.0 | \$ 230.0 |
| Repayments of credit facilities | (130.0) | (350.0) | (180.0) |
| Proceeds from 364-day term loan facility | — | — | 492.4 |
| Repayments of 364-day term loan facility | — | — | (458.8) |
| Proceeds from senior unsecured notes | — | — | 458.8 |
| Debt issuance costs | — | — | (6.1) |
| Repayment of senior unsecured notes | (400.0) | — | — |
| Call redemption premium paid to note holders | (9.5) | — | — |
| Proceeds from issuance of shares | 0.1 | — | — |
| Repayment of finance lease obligations and borrowings | (0.8) | (0.4) | — |
| Dividends paid | — | (158.6) | (172.1) |
| Net cash (used in) provided by financing activities | \$ (540.2) | \$ (179.0) | \$ 364.2 |
| Effects of exchange rate changes on cash and cash equivalents, restricted cash and restricted cash - Asbestos | \$ 6.3 | \$ (6.2) | \$ 6.6 |
| Net increase (decrease) in cash and cash equivalents, restricted cash and restricted cash - Asbestos | 132.6 | 62.2 | (189.6) |
| Cash and cash equivalents, restricted cash and restricted cash - Asbestos at beginning of period | 185.8 | 123.6 | 313.2 |
| Cash and cash equivalents, restricted cash and restricted cash - Asbestos at end of period | \$ 318.4 | \$ 185.8 | \$ 123.6 |
| Non-Cash Investing and Financing Activities | | | |
| Capital expenditures incurred but not yet paid | \$ 18.0 | \$ 8.3 | \$ 25.9 |
| Supplemental Disclosure of Cash Flow Activities | | | |
| Cash paid during the year for interest | \$ 56.4 | \$ 61.5 | \$ 57.0 |
| Cash (refund) payment during the year for income taxes, net | \$ (3.7) | \$ 52.5 | \$ 26.3 |
| Cash paid to AICF | \$ 153.3 | \$ 108.9 | \$ 103.0 |

The accompanying notes are an integral part of these consolidated financial statements.

| (Millions of US dollars) | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Total |
|-------------------------------------|-----------------|----------------------------------|----------------------|--|-------------------|
| Balances as of 31 March 2018 | \$ 229.5 | \$ 185.6 | \$ (635.3) | \$ (1.3) | \$ (221.5) |
| Net income | — | — | 228.8 | — | 228.8 |
| Other comprehensive loss | — | — | — | (29.0) | (29.0) |
| Stock-based compensation | 0.5 | 12.0 | — | — | 12.5 |
| Adoption of ASU 2016-16 | — | — | 1,160.3 | — | 1,160.3 |
| Dividends declared | — | — | (176.7) | — | (176.7) |
| Balances as of 31 March 2019 | \$ 230.0 | \$ 197.6 | \$ 577.1 | \$ (30.3) | \$ 974.4 |
| Net income | — | — | 241.5 | — | 241.5 |
| Other comprehensive loss | — | — | — | (31.8) | (31.8) |
| Stock-based compensation | 0.6 | 9.7 | — | — | 10.3 |
| Adoption of ASU 2016-02 | — | — | 0.2 | — | 0.2 |
| Dividends declared | — | — | (159.3) | — | (159.3) |
| Balances as of 31 March 2020 | \$ 230.6 | \$ 207.3 | \$ 659.5 | \$ (62.1) | \$ 1,035.3 |
| Net income | — | — | 262.8 | — | 262.8 |
| Other comprehensive gain | — | — | — | 55.5 | 55.5 |
| Stock-based compensation | 0.8 | 17.2 | — | — | 18.0 |
| Issuance of ordinary shares | — | 0.1 | — | — | 0.1 |
| Dividends declared | — | — | (310.9) | — | (310.9) |
| Balances as of 31 March 2021 | \$ 231.4 | \$ 224.6 | \$ 611.4 | \$ (6.6) | \$ 1,060.8 |

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Significant Accounting Policies

Nature of Operations

James Hardie Industries plc ("JHI plc") manufactures and sells fiber cement, fiber gypsum and cement-bonded building products for interior and exterior building construction applications, primarily in the United States, Australia, Europe, New Zealand, the Philippines and Canada.

Basis of Presentation

The consolidated financial statements represent the financial position, results of operations and cash flows of JHI plc and its wholly-owned subsidiaries and variable interest entity ("VIE"). Unless the context indicates otherwise, JHI plc and its direct and indirect wholly-owned subsidiaries and VIE (as of the time relevant to the applicable reference) are collectively referred to as "James Hardie", the "James Hardie Group" or the "Company". The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Summary of Significant Accounting Policies

Variable Interest Entities

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis is based on: (i) what party has the power to direct the most significant activities of the VIE that impact its economic performance; and (ii) what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual assessment.

In February 2007, the Company's shareholders approved the Amended and Restated Final Funding Agreement (the "AFFA"), an agreement pursuant to which the Company provides long-term funding to Asbestos Injuries Compensation Fund ("AICF"), a special purpose fund that provides compensation for the Australian-related personal injuries for which certain former subsidiary companies of James Hardie in Australia (being Amaca Pty Ltd ("Amaca"), Amaba Pty Ltd ("Amaba") and ABN 60 Pty Limited ("ABN 60") (collectively, the "Former James Hardie Companies")) are found liable. JHI plc owns 100% of James Hardie 117 Pty Ltd (the "Performing Subsidiary"), which, under the terms of the AFFA, has an obligation to make payments to AICF on an annual basis subject to the provisions of the AFFA. JHI plc guarantees the Performing Subsidiary's obligation. Additionally, the Company appoints three AICF directors and the New South Wales ("NSW") Government appoints two AICF directors.

Although the Company has no ownership interest in AICF, for financial reporting purposes, the Company consolidates AICF, which is a VIE as defined under US GAAP, due to its pecuniary and contractual interests in AICF as a result of the funding arrangements outlined in the AFFA. The Company's consolidation of AICF results in AICF's assets and liabilities being recorded on its consolidated balance sheets and AICF's income and expense transactions being recorded in the consolidated statements of operations and comprehensive income. These items are Australian dollar-denominated and are subject to remeasurement into US dollars at each reporting date.

For the fiscal years ended 31 March 2021, 2020 and 2019, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Foreign Currency Translation/Remeasurement

All assets and liabilities are translated or remeasured into US dollars at current exchange rates while revenues and expenses are translated or remeasured at average exchange rates in effect for the period. The effects of foreign currency translation adjustments are included directly in other comprehensive income in shareholders' equity (deficit). Gains and losses arising from foreign currency transactions are recognized in income.

The Company has recorded on its balance sheet certain foreign assets and liabilities, including asbestos-related assets and liabilities under the terms of the AFFA, that are denominated in foreign currencies and subject to translation (foreign entities) or remeasurement (AICF entity and Euro denominated debt) into US dollars at each reporting date. Unless otherwise noted, the Company converts foreign currency denominated assets and liabilities into US dollars at the spot rate at the end of the reporting period; while revenues and expenses are converted using an average exchange rate for the period. The Company records gains and losses on its Euro denominated debt which are economically offset by foreign exchange gains and losses on loans between subsidiaries, resulting in a net immaterial translation gain or loss which is recorded in the *Selling, general and administrative expenses* in the consolidated statements of operations and comprehensive income.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents, other than those amounts directly related to the AICF, generally relate to amounts subject to letters of credit with insurance companies, which restrict the cash from use for general corporate purposes.

Accounts Receivable

The Company evaluates the collectability of accounts receivable on an ongoing basis based on historical bad debts, customer credit-worthiness, current economic trends and changes in the Company's customer payment activity. An allowance for doubtful accounts is provided for known and estimated bad debts. Although credit losses have historically been within expectations, the Company cannot guarantee that it will continue to experience the same credit loss rates that it has had in the past.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is generally determined under the first-in, first-out method, except that the cost of raw materials and supplies is determined using actual or average costs. Cost includes the costs of materials, labor and applied factory overhead. On a regular basis, the Company evaluates its inventory balances for excess quantities and obsolescence by analyzing demand, inventory on hand, sales levels and other information. Based on these evaluations, inventory costs are adjusted to net realizable value, if necessary.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Property, plant and equipment of businesses acquired are recorded at their estimated fair value at the date of acquisition. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

| | Years |
|-------------------------|---------|
| Buildings | 5 to 50 |
| Buildings Improvements | 1 to 40 |
| Leasehold Improvements | 1 to 40 |
| Machinery and Equipment | 1 to 30 |

Leases

At lease commencement, which is generally when the Company takes possession of the asset, the Company records a lease liability and a corresponding right-of-use ("ROU") asset. Lease liabilities represent the present value of minimum lease payments over the expected lease term, which includes options to extend the lease when it is reasonably certain those options will be exercised. Determining the lease term and amount of lease payments to include in the calculation of the ROU asset and lease liability for leases containing options requires the use of judgment to determine whether the exercise of an option is reasonably certain, and if the option period and payments should be included in the calculation of the associated ROU asset and liability. In making this determination, the Company considers all relevant economic factors that would compel the Company to exercise an option. The Company's leases generally do not provide a readily determinable implicit borrowing rate. As such, the discount rate used to calculate present value is the lessee's incremental borrowing rate, which is primarily based upon the periodic risk-adjusted interest margin and the term of the lease.

Minimum lease payments include base rent as well as fixed escalation of rental payments. In determining minimum lease payments, the Company separates non-lease components such as common area maintenance or other miscellaneous expenses that are updated based on landlord estimates for real estate leases. Additionally, many of the Company's transportation and equipment leases require additional payments based on the underlying usage of the assets such as mileage and maintenance costs. Due to the variable nature of these costs, the cash flows associated with these costs are expensed as incurred and not included in the lease payments used to determine the ROU asset and associated lease liability.

ROU assets represent the right to control the use of the leased asset during the lease term and are initially recognized as an amount equal to the lease liability. In addition, prepaid rent, initial direct costs, and adjustments for lease incentives are components of the ROU asset. Over the lease term, the lease expense is amortized on a straight-line basis beginning on the lease commencement date. ROU assets are assessed for impairment as part of the impairment of long-lived assets, which is performed whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable.

A ROU asset and lease liability are not recognized for leases with an initial term of 12 months or less, and the lease expense is recognized on a straight-line basis over the lease term.

Depreciation and Amortization

The Company records depreciation and amortization under both *Cost of goods sold* and *Selling, general and administrative* expenses, depending on the asset's business use. All depreciation and amortization related to plant building, machinery and equipment is recorded in *Cost of goods sold*.

Goodwill and Other Intangible Assets

Goodwill is the excess of purchase price over the fair value of tangible and identifiable intangible net assets acquired in various business combinations. Goodwill is not amortized but is tested at the reporting unit level for impairment annually, or more often if indicators of impairment exist. Factors that could cause an impairment in the future could include, but are not limited to, adverse macroeconomic conditions, deterioration in industry or market conditions, decline in revenue and cash flows or increases in costs and capital expenditures compared to projected results. A goodwill impairment charge is recorded for the amount by which the carrying value of the reporting unit exceeds the fair value of the reporting unit.

Intangible assets from acquired businesses are recognized at their estimated fair values at the date of acquisition and consist of trademarks, customer relationships and other intangible assets. Finite-lived intangibles are amortized to expense over the applicable useful lives, ranging from 2 to 13 years, based on the nature of the asset and the underlying pattern of economic benefit as reflected by future net cash inflows. The Company performs an impairment test of intangibles annually, or whenever events or changes in circumstances indicate their carrying value may be impaired.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment, are evaluated each quarter for events or changes in circumstances that indicate that an asset might be impaired because the carrying amount of the asset may not be recoverable. These include, without limitation, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used, a current period operating or cash flow loss combined with a history of operating or cash flow losses, a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group and/or a current expectation that it is more likely than not that a long lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

When such indicators of potential impairment are identified, recoverability is tested by grouping long-lived assets that are used together and represent the lowest level for which cash flows are identifiable and distinct from the cash flows of other long-lived assets, which is typically at the production line or plant facility level, depending on the type of long-lived asset subject to an impairment review.

Recoverability is measured by a comparison of the carrying amount of the asset group to the estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds the estimated undiscounted future cash flows, an impairment charge is recognized at the amount by which the carrying amount exceeds the estimated fair value of the asset group.

The methodology used to estimate the fair value of the asset group is based on a discounted cash flow analysis or a relative, market-based approach based on purchase offers or appraisals received from third parties, that considers the asset group's highest and best use that would maximize the value of the asset group. In addition, the estimated fair value of an asset group also considers, to the extent practicable, a market participant's expectations and assumptions in estimating the fair value of the asset group. If the estimated fair value of the asset group is less than the carrying value, an impairment loss is recognized at an amount equal to the excess of the carrying value over the estimated fair value of the asset group.

Accrued Product Warranties

An accrual for estimated future warranty costs is recorded based on an analysis by the Company, which includes the historical relationship of warranty costs to installed product at an estimated remediation cost per standard foot. Based on this analysis and other factors, the adequacy of the Company's warranty provision is adjusted as necessary.

Debt

The Company's debt consists of an unsecured revolving credit facility and senior unsecured notes. Each of the Company's debt instruments is recorded at cost, net of any original issue discount or premium, where applicable. The related original issue discount, premium and debt issuance costs are amortized over the term of each respective borrowing using the effective interest method. Debt is presented as current if the liability is due to be settled within 12 months after the balance sheet date, unless the Company has the ability and intention to refinance on a long-term basis in accordance with US GAAP. See Fair Value Measurements below and Note 13 for the Company's fair value considerations.

In addition, the Company consolidates AICF which has a loan facility, which is included in Asbestos-related Accounting Policies below.

Revenue Recognition

The Company recognizes revenues when the requisite performance obligation has been met, that is, when the Company transfers control of its products to customers, which depending on the terms of the underlying contract, is generally upon delivery. The Company records estimated reductions in sales for customer rebates and discounts including volume, promotional, cash and other discounts. Rebates and discounts are recorded based on management's best estimate when products are sold. The estimates are based on historical experience for similar programs and products. Management reviews these rebates and discounts on an ongoing basis and the related accruals are adjusted, if necessary, as additional information becomes available.

A portion of the Company's revenue is made through distributors under a vendor managed inventory agreement whereby revenue is recognized upon the transfer of title and risk of loss to the distributors.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are recognized by applying enacted statutory rates applicable to future years to differences between the tax bases and financial reporting amounts of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. The realization of the US deferred tax assets is affected primarily by the continued profitability of the US business. A valuation allowance is provided when it is more likely than not that all or some portion of deferred tax assets will not be realized.

Income taxes payable represents taxes currently payable which are computed at statutory income tax rates applicable to taxable income derived in each jurisdiction in which the Company conducts business. Interest and penalties related to uncertain tax positions are recognized in *Income tax expense* on the consolidated statements of operations and comprehensive income.

The Company accrues for tax contingencies based upon its best estimate of the taxes ultimately expected to be paid, which it updates over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate. If the Company ultimately determines that payment of these amounts is unnecessary, the Company reverses the liability and recognizes a tax benefit during the period in which the Company determines that the liability is no longer necessary. The Company records additional tax expense in the period in which it determines that the recorded tax liability is less than the ultimate assessment it expects.

Taxing authorities from various jurisdictions in which the Company operates are in the process of reviewing and auditing the Company's respective jurisdictional tax returns for various ranges of years. The Company accrues tax liabilities in connection with ongoing audits and reviews based on knowledge of all relevant facts and circumstances, taking into account existing tax laws, its experience with previous audits and settlements, the status of current tax examinations and how the tax authorities view certain issues.

Financial Instruments

The Company calculates the fair value of financial instruments and includes this additional information in the notes to the consolidated financial statements. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Periodically, interest rate swaps, commodity swaps and forward exchange contracts are used to manage market risks and reduce exposure resulting from fluctuations in interest rates, commodity prices and foreign currency exchange rates. Changes in the fair value of financial instruments that are not designated as hedges are recorded in earnings within *Asbestos adjustments*, *Other income (expense)* and *Selling, general and administrative expenses* at each measurement date. The Company does not use derivatives for trading purposes.

Fair Value Measurements

Assets and liabilities of the Company that are carried or disclosed at fair value are classified in one of the following three categories:

| | |
|---------|---|
| Level 1 | Quoted market prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date; |
| Level 2 | Observable market-based inputs or unobservable inputs that are corroborated by market data for the asset or liability at the measurement date; |
| Level 3 | Unobservable inputs that are not corroborated by market data used when there is minimal market activity for the asset or liability at the measurement date. |

Fair value measurements of assets and liabilities are assigned a level within the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement in its entirety.

The carrying amounts of Cash and Cash Equivalents, Restricted cash and cash equivalents, Trade receivables, Trade payables and the Revolving Credit Facility approximates their respective fair values due to the short-term nature of these instruments.

Stock-based Compensation

Stock-based compensation expense represents the estimated fair value of equity-based and liability-classified awards granted to employees and is recognized as an expense over the vesting period. Forfeitures of stock-based awards are accounted for as they occur. Stock-based compensation expense is included in the line item *Selling, general and administrative expenses* on the consolidated statements of operations and comprehensive income.

Equity awards with vesting based solely on a service condition are typically subject to graded vesting, in that the awards outstanding generally vest as follows: 25% at the first anniversary date of the grant; 25% at the second anniversary date of the grant; and 50% at the third anniversary date of the grant. For equity awards subject to graded vesting, the Company has elected to use the accelerated recognition method. Accordingly, each vesting tranche is valued separately, and the recognition of stock-based compensation expense is more heavily weighted earlier in the vesting period. Stock-based compensation expense for equity awards that are subject to performance or market vesting conditions are based upon an estimate of the number of awards that are expected to vest and typically recognized ratably over the vesting period. The Company issues new shares to award recipients when the vesting condition for restricted stock units ("RSUs") has been satisfied.

For RSUs subject to a service vesting condition, the fair value is equal to the market value of the Company's common stock on the date of grant, adjusted for the fair value of estimated dividends as the restricted stock holder is not entitled to dividends over the vesting period.

For RSUs subject to a performance vesting condition, the vesting of these units is subject to a return on capital employed ("ROCE") performance hurdle being met and is subject to negative discretion by the Board. The Board's discretion will reflect the Board's judgment of the quality of the returns balanced against management's delivery of market share growth and a scorecard of key qualitative and quantitative performance objectives.

For RSUs subject to a market vesting condition, the vesting of these units is based on James Hardie's performance against its Peer Group for the 20 trading days preceding the test date. The fair value of each of these units is estimated using a binomial lattice model that incorporates a Monte Carlo simulation (the "Monte Carlo" method).

For cash settled units ("CSUs"), compensation expense is recognized based upon an estimate of the number of awards that are expected to vest and the fair market value of JHI plc's common stock on the date of the grant. The expense is recognized ratably over the vesting period and the liability is adjusted for subsequent changes in JHI plc's common stock price at each balance sheet date adjusted for the fair value of estimated dividends as the restricted stock unit holder is not entitled to dividends over the vesting period.

Loss Contingencies

The Company recognizes a liability for asserted and unasserted claims in the period in which a loss becomes probable and estimable. The amount of a reasonably probable loss is dependent on a number of factors including, without limitation, the specific facts and circumstances unique to each claim, the existence of any co-defendants involved in defending the claim, the solvency of such co-defendants (including the ability of such co-defendants to remain solvent until the related claim is ultimately resolved), and the availability of claimant compensation under a government compensation scheme.

To the extent that it is probable and estimable, the estimated loss for these matters, incorporates assumptions that are subject to the foregoing uncertainties and are principally derived from, but not exclusively based on, historical claims experience together with facts and circumstances unique to each claim. If the nature and extent of claims in future periods differ from historical claims experience, the Company's assessment of probable and estimable liability with respect to current asserted claims changes and/or actual liability is different to the estimates, then the actual amount of loss may be materially higher or lower than estimated losses accrued.

Asbestos-related Accounting Policies

Asbestos Liability

The amount of the asbestos liability has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of projected future cash flows as calculated by KPMG Actuarial (“KPMGA”), who are engaged and appointed by AICF under the terms of the AFFA. Based on their assumptions, KPMGA arrived at a range of possible total future cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows projected by KPMGA to occur through 2073.

The Company recognizes the asbestos liability in the consolidated financial statements by reference to (but not exclusively based upon) the undiscounted and uninflated central estimate. The Company considered discounting when determining the best estimate under US GAAP. The Company has recognized the asbestos liability by reference to (but not exclusively based upon) the central estimate as undiscounted on the basis that the timing and amounts of such cash flows are not fixed or readily determinable. The Company considered inflation when determining the best estimate under US GAAP. It is the Company’s view that there are material uncertainties in estimating an appropriate rate of inflation over the extended period of the AFFA. The Company views the undiscounted and uninflated central estimate as the best estimate under US GAAP.

Adjustments in the asbestos liability due to changes in the actuarial estimate of projected future cash flows and changes in the estimate of future operating costs of AICF are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Claims paid by AICF and claims-handling costs incurred by AICF are treated as reductions in the Asbestos liability balances.

Insurance Receivable

The insurance receivable recorded by the Company has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of recoveries expected from insurance policies and insurance companies with exposure to the asbestos claims, as calculated by KPMGA. The assessment of recoveries is based on the expected pattern of claims against such policies less an allowance for credit risk based on credit agency ratings. The insurance receivable generally includes these cash flows as undiscounted and uninflated, however, where the timing of recoveries has been agreed with the insurer, the receivables are recorded on a discounted basis. The Company records insurance receivables that are deemed probable of being realized.

Adjustments in the insurance receivable due to changes in the actuarial estimate, or changes in the Company’s assessment of recoverability are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Insurance recoveries are treated as a reduction in the insurance receivable balance.

Workers’ Compensation

An estimate of the liability related to workers’ compensation claims is prepared by KPMGA as part of the annual actuarial assessment. This estimate contains two components - amounts that will be met by a workers’ compensation scheme or policy and amounts that will be met by the Former James Hardie Companies.

The estimated liability is included as part of the asbestos liability and adjustments to the estimate are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Amounts that are expected to be paid by the workers' compensation schemes or policies are recorded as workers' compensation receivable. Adjustments to the workers' compensation liability result in an equal adjustment in the workers' compensation receivable recorded by the Company and have no effect on the consolidated statements of operations and comprehensive income.

Restricted Cash and Cash Equivalents

Cash and cash equivalents of AICF are reflected as restricted assets, as the use of these assets is restricted to the settlement of asbestos claims and payment of the operating costs of AICF. Since cash and cash equivalents are highly liquid, the Company classifies these amounts as a current asset on the consolidated balance sheets.

Restricted Short-Term Investments

Restricted short-term investments of AICF consist of highly liquid investments held in the custody of major financial institutions and are classified as available for sale. These restricted short-term investments are recorded in the financial statements at fair value based on quoted market prices using the specific identification method. Unrealized gains and losses on the fair value of these investments are included as a separate component of *Accumulated other comprehensive loss*. Realized gains and losses on these investments are recognized in *Asbestos adjustments* on the consolidated statements of operations and comprehensive income.

Short-Term Debt

AICF has access to a secured loan facility (the "AICF Loan Facility") made available by the NSW Government, which can be used by AICF to fund the payment of asbestos claims and certain operating and legal costs of AICF and Former James Hardie Companies (together, the "Obligors").

Interest accrues daily on amounts outstanding, is calculated based on a 365-day year and is payable monthly. AICF may, at its discretion, elect to accrue interest payable on amounts outstanding under the AICF Loan Facility on the date interest becomes due and payable.

Deferred Income Taxes

The Performing Subsidiary can claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. Consequently, a deferred tax asset has been recognized equivalent to the anticipated tax benefit over the life of the AFFA.

Adjustments are made to the deferred income tax asset as adjustments to the asbestos-related assets and liabilities are recorded.

Asbestos Adjustments

The *Asbestos adjustments* reflected in the consolidated statements of operations and comprehensive income reflect the net change in the actuarial estimate of the asbestos liability and insurance receivables, and the change in the estimate of AICF claims handling costs. Additionally, as the asbestos-related assets and liabilities are denominated in Australian dollars, the reported values of these asbestos-related assets and liabilities in the Company's consolidated balance sheets in US dollars are subject to adjustment depending on the closing exchange rate between the two currencies at the balance sheet dates, the effect of which is also included in *Asbestos adjustments* in the consolidated statements of operations and comprehensive income. Further, changes in the fair value of forward exchange contracts entered into to reduce exposure to the change in foreign currency exchange rates associated with AICF payments are recorded in *Asbestos adjustments*.

Business combinations

The Company accounts for acquired businesses using the acquisition method of accounting. This method requires that the purchase price be allocated to the identifiable assets acquired and liabilities assumed at their estimated fair values at the date of acquisition. The excess of the purchase price over the identifiable assets acquired and liabilities assumed is recorded as goodwill.

The fair values are determined by management, taking into consideration information supplied by management of the acquired entities, and other relevant information. Such information typically includes valuations obtained from independent appraisal experts, which management reviews and considers in its estimates of fair values. The valuations are generally based upon future cash flow projections for the acquired assets, discounted to present value. The determination of fair values requires significant judgment by management, particularly with respect to the value of identifiable intangible assets. This judgment could result in either a higher or lower value assigned to amortizable or depreciable assets. The impact could result in either higher or lower amortization and/or depreciation expense. Management's estimates of fair value are based upon assumptions believed to be reasonable, but due to the inherent uncertainty during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill.

Accounting Pronouncements

Adopted in Fiscal Year 2021

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments, which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. As required, the Company adopted the standard starting with the fiscal year beginning 1 April 2020 using a modified retrospective approach noting no material differences to the consolidated financial statements for the fiscal year ended 31 March 2021. The Company estimates its allowance for credit losses on the trade receivables as described in the Accounts Receivables policy above.

Recently Issued

In December 2019, the FASB issued ASU No. 2019-12, Income taxes (Topic 740). The amendments in the standard are being issued to simplify the accounting for income taxes and are effective for fiscal years and interim periods within those fiscal years, beginning after 15 December 2020 with early adoption permitted. The Company will adopt ASU No. 2019-12 starting with the fiscal year beginning 1 April 2021 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

Earnings Per Share

Basic earnings per share ("EPS") is calculated using net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS is similar to basic EPS except that the weighted average number of common shares outstanding is increased to include the number of additional common shares calculated using the treasury method that would have been outstanding if the dilutive potential common shares, such as stock options and RSUs, had been issued.

Basic and dilutive common shares outstanding used in determining net income per share are as follows:

| (Millions of shares) | Years Ended 31 March | | |
|-----------------------------------|----------------------|-------|-------|
| | 2021 | 2020 | 2019 |
| Basic common shares outstanding | 443.7 | 442.6 | 441.9 |
| Dilutive effect of stock awards | 1.7 | 1.5 | 1.1 |
| Diluted common shares outstanding | 445.4 | 444.1 | 443.0 |

There were no potential common shares which would be considered anti-dilutive for the fiscal years ended 31 March 2021, 2020 and 2019.

Unless they are anti-dilutive, RSUs which vest solely based on continued employment are considered to be outstanding as of their issuance date for purposes of computing diluted EPS and are included in the calculation of diluted EPS using the Treasury Method. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

RSUs which vest based on performance or market conditions are considered contingent shares. At each reporting date prior to the end of the contingency period, the Company determines the number of contingently issuable shares to include in the diluted EPS calculation, as the number of shares that would be issuable under the terms of the RSU arrangement, if the end of the reporting period were the end of the contingency period. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

Potential common shares of 0.9 million, 1.5 million and 2.2 million for the fiscal years ended 31 March 2021, 2020 and 2019, respectively, have been excluded from the calculation of diluted common shares outstanding as they are considered contingent shares which are not expected to vest.

2. Revenues

The following represents the Company's disaggregated revenues for the fiscal years ended 31 March 2021, 2020 and 2019:

| (Millions of US dollars) | Year Ended 31 March 2021 | | | | Consolidated |
|--------------------------|-------------------------------|------------------------------|-----------------------------|--|--------------|
| | North America Fiber Cement | Asia Pacific Fiber Cement | Europe Building Products | | |
| Fiber cement revenues | \$ 2,040.2 | \$ 458.2 | \$ 55.3 | | \$ 2,553.7 |
| Fiber gypsum revenues | — | — | 355.0 | | 355.0 |
| Total revenues | \$ 2,040.2 | \$ 458.2 | \$ 410.3 | | \$ 2,908.7 |

| (Millions of US dollars) | Year Ended 31 March 2020 | | | | Consolidated |
|--------------------------|-------------------------------|------------------------------|-----------------------------|---------------------|--------------|
| | North America Fiber Cement | Asia Pacific Fiber Cement | Europe Building Products | Other Businesses | |
| Fiber cement revenues | \$ 1,816.4 | \$ 418.4 | \$ 48.0 | \$ — | \$ 2,282.8 |
| Fiber gypsum revenues | — | — | 323.4 | — | 323.4 |
| Other revenues | — | — | — | 0.6 | 0.6 |
| Total revenues | \$ 1,816.4 | \$ 418.4 | \$ 371.4 | \$ 0.6 | \$ 2,606.8 |

| (Millions of US dollars) | Year Ended 31 March 2019 | | | | Consolidated |
|--------------------------|-------------------------------|------------------------------|-----------------------------|---------------------|--------------|
| | North America Fiber Cement | Asia Pacific Fiber Cement | Europe Building Products | Other Businesses | |
| Fiber cement revenues | \$ 1,676.9 | \$ 446.8 | \$ 35.8 | \$ — | \$ 2,159.5 |
| Fiber gypsum revenues | — | — | 332.5 | — | 332.5 |
| Other revenues | — | — | — | 14.6 | 14.6 |
| Total revenues | \$ 1,676.9 | \$ 446.8 | \$ 368.3 | \$ 14.6 | \$ 2,506.6 |

The process by which the Company recognizes revenues is similar across each of the Company's reportable segments. Fiber cement and fiber gypsum revenues are primarily generated from the sale of siding and various boards used in external and internal applications, as well as accessories. Fiber gypsum revenues also includes the sale of cement-bonded boards in the Europe Building Products segment. Other revenues were generated from the sale of fiberglass products and windows in the Other Businesses segment, which no longer qualified as a reportable operating segment as of 31 March 2020.

The Company recognizes revenues when the requisite performance obligation has been met, that is, when the Company transfers control of its products to customers, which depending on the terms of the underlying contract, is generally upon delivery. The Company considers shipping and handling activities that it performs as activities to fulfill the sales of its products, with amounts billed for such costs included in net sales and the associated costs incurred for such services recorded in cost of sales, in accordance with the practical expedient provided by Accounting Standards Codification ("ASC") 606.

Certain of the Company's customers receive discounts and rebates as sales incentives, amounts which are recorded as a reduction to revenue at the time the revenue is recognized. These amounts are an estimate recorded by the Company based on historical experience and contractual obligations, the underlying assumptions of which are periodically reviewed and adjusted by the Company, as necessary.

The Company's contracts are generally short-term in nature, generally not exceeding twelve months, with payment terms varying by the type and location of products or services offered; however, the period between invoicing and when payment is due is not significant.

3. Cash and Cash Equivalents, Restricted Cash and Restricted Cash - Asbestos

The following table provides a reconciliation of *Cash and cash equivalents*, *Restricted cash* and *Restricted cash - Asbestos* reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

| (Millions of US dollars) | 31 March | |
|---|-----------------|-----------------|
| | 2021 | 2020 |
| Cash and cash equivalents | \$ 208.5 | \$ 144.4 |
| Restricted cash | 5.0 | 5.0 |
| Restricted cash - Asbestos | 104.9 | 36.4 |
| Total cash and cash equivalents, restricted cash and restricted cash - Asbestos | <u>\$ 318.4</u> | <u>\$ 185.8</u> |

4. Accounts and Other Receivables

Accounts and other receivables consist of the following components:

| (Millions of US dollars) | 31 March | |
|--|-----------------|-----------------|
| | 2021 | 2020 |
| Trade receivables | \$ 296.7 | \$ 268.4 |
| Income taxes receivable | 25.4 | 84.7 |
| Other receivables and advances | 17.2 | 14.6 |
| Provision for doubtful trade receivables | (6.1) | (4.4) |
| Total accounts and other receivables | <u>\$ 333.2</u> | <u>\$ 363.3</u> |

The following are changes in the provision for doubtful trade receivables:

| (Millions of US dollars) | 31 March | |
|--------------------------------|---------------|---------------|
| | 2021 | 2020 |
| Balance at beginning of period | \$ 4.4 | \$ 2.9 |
| Adjustment to provision | 3.1 | 1.7 |
| Write-offs, net of recoveries | (1.4) | (0.2) |
| Balance at end of period | <u>\$ 6.1</u> | <u>\$ 4.4</u> |

5. Inventories

Inventories consist of the following components:

| (Millions of US dollars) | 31 March | |
|---|----------|----------|
| | 2021 | 2020 |
| Finished goods | \$ 149.9 | \$ 224.4 |
| Work-in-process | 17.9 | 25.2 |
| Raw materials and supplies | 60.4 | 69.9 |
| Provision for obsolete finished goods and raw materials | (9.9) | (14.4) |
| Total inventories | \$ 218.3 | \$ 305.1 |

The Company identified an immaterial classification error in its 31 March 2020 Inventories footnote which included an understatement in Work-in-process and an overstatement in the Raw materials and supplies balance of US\$17.1 million. As such, the prior year amounts above have been reclassified to conform with the current year presentation.

6. Goodwill and Other Intangible Assets

All long-lived intangible assets are reviewed for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment. The Company performed the annual assessment for impairment in the third quarter of fiscal year 2021, noting no impairment.

Goodwill

The following are the changes in the carrying value of goodwill for the fiscal years ended 31 March 2021 and 2020:

| (Millions of US dollars) | Europe Building Products | Asia Pacific Fiber Cement | Total |
|--------------------------|-----------------------------|------------------------------|----------|
| Balance - 31 March 2019 | \$ 200.8 | \$ 0.3 | \$ 201.1 |
| Impairment | — | (0.2) | (0.2) |
| Foreign exchange impact | (3.9) | (0.1) | (4.0) |
| Balance - 31 March 2020 | \$ 196.9 | \$ — | \$ 196.9 |
| Foreign exchange impact | 12.4 | — | 12.4 |
| Balance - 31 March 2021 | \$ 209.3 | \$ — | \$ 209.3 |

Intangible Assets

The following are the net carrying amount of indefinite lived intangible assets other than goodwill for the fiscal years ended 31 March 2021 and 2020:

| (Millions of US dollars) | 31 March | |
|--------------------------|----------|----------|
| | 2021 | 2020 |
| Tradenames | \$ 120.6 | \$ 113.5 |
| Other | 7.4 | 7.4 |
| Total | \$ 128.0 | \$ 120.9 |

The following are the net carrying amount of amortizable intangible assets for the fiscal years ended 31 March 2021 and 2020:

| (Millions of US dollars) | Gross Carrying Amount | Year Ended 31 March 2021 Accumulated Amortization | Net Carrying Amount |
|--------------------------|-----------------------|--|---------------------|
| Customer Relationships | \$ 55.2 | \$ (9.3) | \$ 45.9 |
| Other | 10.9 | (10.9) | — |
| Total | <u>\$ 66.1</u> | <u>\$ (20.2)</u> | <u>\$ 45.9</u> |

| (Millions of US dollars) | Gross Carrying Amount | Year Ended 31 March 2020 Accumulated Amortization | Net Carrying Amount |
|--------------------------|-----------------------|--|---------------------|
| Customer Relationships | \$ 51.4 | \$ (6.4) | \$ 45.0 |
| Other | 11.6 | (10.8) | 0.8 |
| Total | <u>\$ 63.0</u> | <u>\$ (17.2)</u> | <u>\$ 45.8</u> |

The amortization of intangible assets was US\$2.6 million, US\$3.1 million and US\$6.1 million for the fiscal years ended 31 March 2021, 2020 and 2019, respectively.

At 31 March 2021, the estimated future amortization of intangible assets is as follows:

Years ended 31 March (Millions of US dollars):

| | |
|------|--------|
| 2022 | \$ 3.5 |
| 2023 | 4.3 |
| 2024 | 4.7 |
| 2025 | 4.8 |
| 2026 | 5.0 |

7. Property, Plant and Equipment

Property, plant and equipment consist of the following components:

| (Millions of US dollars) | 2021 | 31 March 2020 |
|--|-------------------|-------------------|
| Land | \$ 85.2 | \$ 79.0 |
| Buildings | 512.8 | 432.5 |
| Machinery and equipment | 1,775.5 | 1,511.4 |
| Construction in progress | 91.8 | 267.6 |
| Property, plant and equipment, at cost | <u>2,465.3</u> | <u>2,290.5</u> |
| Less accumulated depreciation | <u>(1,093.0)</u> | <u>(948.8)</u> |
| Property, plant and equipment, Net | <u>\$ 1,372.3</u> | <u>\$ 1,341.7</u> |

Depreciation expense for the fiscal years ended 31 March 2021, 2020 and 2019 was US\$129.6 million, US\$125.4 million and US\$109.6 million, respectively.

Impairment of Property, Plant & Equipment

The Company performs an asset impairment review on a quarterly basis in connection with its assessment of production capabilities and the Company's ability to meet market demand. The following table summarizes the impairment charges:

| (Millions of US dollars) | Years Ended 31 March | | | | | |
|----------------------------|----------------------|-----|------|------|------|-----|
| | 2021 | | 2020 | | 2019 | |
| North America Fiber Cement | \$ | 2.0 | \$ | 44.0 | \$ | 3.0 |
| Asia Pacific Fiber Cement | | — | | 15.0 | | — |
| Europe Building Products | | — | | 5.5 | | — |
| Other Businesses | | — | | — | | 6.1 |
| | \$ | 2.0 | \$ | 64.5 | \$ | 9.1 |

Charges recorded to *Restructuring expenses*

North America Fiber Cement segment

For the fiscal year ended 31 March 2020, impairment charges of US\$41.2 million were recorded in the North America Fiber Cement segment. Included in this total is US\$12.0 million related to the Company's decision to shut down its Summerville, South Carolina facility. This decision resulted from the potential impact of COVID-19 on future fiber cement sales volume. Assets are grouped and evaluated for impairment at the level for which there are identifiable cash flows, which in the case of the Summerville plant included the manufacturing equipment, land, building and right of use assets. In accordance with the applicable accounting guidance, the Company recorded an impairment charge for the difference between the carrying value of the asset group of US\$22.1 million and the fair value, based on a third party appraisal of land and buildings, less costs to sell of US\$10.1 million.

The remaining impairment charges of US\$29.2 million is related to a variety of non-core assets located at four plants across the network which will no longer be used and will be disposed. Due to the unique nature of the non-core fixed assets and the lack of history of selling manufacturing assets, management believes that there will be no future cash flows nor salvage value related to these assets and fully impaired them as of 31 March 2020.

For the fiscal year ended 31 March 2019, the Company recorded impairment charges of US\$2.6 million in the North America Fiber Cement segment related to the discontinuance of its MCT product line.

Asia Pacific Fiber Cement segment

For the fiscal year ended 31 March 2020, the Company recorded impairment charges of US\$14.0 million in the Asia Pacific Fiber Cement segment due to the decision to shift to an import sales model rather than continue manufacturing in New Zealand, and US\$1.0 million due to its decision to exit the James Hardie Systems business on the determination that it no longer fits within the Company's core business. The US\$14.0 million charge relates to the full write-down of most of the machinery and equipment at the Penrose plant and the related excess spare parts which will not be utilized prior to shutdown. All the equipment and spare parts are unique to the Company and have immaterial resale or salvage values. The remaining net book value of the Penrose plant's assets at 31 March 2020 is US\$2.6 million.

Europe Building Products segment

For the fiscal year ended 31 March 2020, impairment charges of US\$5.5 million were recorded in the Europe Building Products segment relating to a variety of non-core assets which no longer provide economic benefit to the Company.

Other Businesses segment

For the fiscal year ended 31 March 2019, the Company recorded impairment charges of US\$6.1 million in the Other Businesses segment to due to the Company's decision to cease production of its fiberglass windows business.

Charges recorded to *Cost of goods sold*

Other impairment charges in the North America Fiber Cement segment related to individual assets totaled US\$2.0 million, US\$2.8 million and US\$0.4 million during fiscal years ended 31 March 2021, 2020 and 2019, respectively.

8. Leases

The Company's lease portfolio consists primarily of real estate, forklifts at its manufacturing facilities and a fleet of vehicles primarily for sales representatives. The lease term for all of its leases includes the non-cancellable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate.

The following table represents the Company's ROU assets and lease liabilities:

| (Millions of US dollars) | 31 March | |
|-----------------------------------|----------------|----------------|
| | 2021 | 2020 |
| Assets: | | |
| Operating leases, net | \$ 46.4 | \$ 40.5 |
| Finance leases, net | 2.7 | 1.7 |
| Total right-of-use assets | <u>\$ 49.1</u> | <u>\$ 42.2</u> |
| Liabilities: | | |
| Operating leases: | | |
| Current | \$ 7.8 | \$ 14.3 |
| Non-Current | 53.3 | 41.4 |
| Total operating lease liabilities | <u>\$ 61.1</u> | <u>\$ 55.7</u> |
| Finance leases: | | |
| Current | \$ 1.0 | \$ 0.5 |
| Non-Current | 1.9 | 1.5 |
| Total finance lease liabilities | <u>\$ 2.9</u> | <u>\$ 2.0</u> |
| Total lease liabilities | <u>\$ 64.0</u> | <u>\$ 57.7</u> |

The following table represents the Company's lease expense:

| (Millions of US dollars) | Years Ended 31 March | |
|-------------------------------|----------------------|---------|
| | 2021 | 2020 |
| Operating leases | \$ 17.0 | \$ 18.4 |
| Short-term leases | 2.1 | 1.0 |
| Variable leases | — | 0.1 |
| Finance leases | 0.9 | 0.3 |
| Interest on lease liabilities | 0.1 | 0.1 |
| Total lease expense | \$ 20.1 | \$ 19.9 |

The weighted-average remaining lease term of the Company's leases is as follows:

| (In Years) | 31 March | |
|------------------|----------|------|
| | 2021 | 2020 |
| Operating leases | 7.8 | 5.4 |
| Finance leases | 3.5 | 4.4 |

The weighted-average discount rate of the Company's leases is as follows:

| | 31 March | |
|------------------|----------|-------|
| | 2021 | 2020 |
| Operating leases | 4.6 % | 4.4 % |
| Finance leases | 4.5 % | 4.4 % |

The following are future lease payments for non-cancellable leases at 31 March 2021:

| Years ended 31 March (Millions of US dollars): | Operating Leases | | Finance Leases | | Total |
|--|------------------|------|----------------|-----|---------|
| 2022 | \$ | 9.6 | \$ | 1.0 | \$ 10.6 |
| 2023 | | 14.3 | | 1.0 | 15.3 |
| 2024 | | 10.5 | | 0.5 | 11.0 |
| 2025 | | 7.2 | | 0.3 | 7.5 |
| 2026 | | 6.1 | | 0.2 | 6.3 |
| Thereafter | | 30.9 | | — | 30.9 |
| Total | \$ | 78.6 | \$ | 3.0 | \$ 81.6 |
| Less: imputed interest | | | | | 17.6 |
| Total lease liabilities | | | | | \$ 64.0 |

Supplemental cash flow and other information related to leases were as follows:

| (Millions of US dollars) | Years Ended 31 March | |
|--|----------------------|---------------|
| | 2021 | 2020 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows used for operating leases | \$ 19.2 | \$ 18.0 |
| Operating cash flows used for finance leases | 0.1 | 0.1 |
| Financing cash flows used for finance leases | 0.8 | 0.4 |
| Non-cash ROU assets obtained in exchange for new lease liabilities | 26.0 | 12.9 |
| Non-cash remeasurements reducing ROU assets and lease liabilities | (5.1) | (19.4) |

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following components:

| (Millions of US dollars) | 31 March | |
|--|-----------------|-----------------|
| | 2021 | 2020 |
| Trade creditors | \$ 174.0 | \$ 151.3 |
| Accrued interest | 4.5 | 8.6 |
| Accrued customer rebates | 80.0 | 65.5 |
| Other creditors and accruals | 48.5 | 49.3 |
| Total accounts payable and accrued liabilities | <u>\$ 307.0</u> | <u>\$ 274.7</u> |

10. Long-Term Debt

| (Millions of US dollars) | 31 March 2021 | 31 March 2020 |
|--|------------------|-------------------|
| Senior unsecured notes: | | |
| Principal amount 4.750% notes due 2025 | \$ — | \$ 400.0 |
| Principal amount 3.625% notes due 2026 (€ 400.0 million) | 468.3 | 440.7 |
| Principal amount 5.000% notes due 2028 | 400.0 | 400.0 |
| Total | <u>868.3</u> | <u>1,240.7</u> |
| Unsecured revolving credit facility | — | 130.0 |
| Unamortized debt issuance costs: | | |
| Principal amount 4.750% notes due 2025 | — | (4.3) |
| Principal amount 3.625% notes due 2026 (€ 400.0 million) | (4.2) | (5.0) |
| Principal amount 5.000% notes due 2028 | (4.3) | (4.9) |
| Unsecured revolving credit facility | (1.2) | (1.9) |
| Total Long-term debt | <u>\$ 858.6</u> | <u>\$ 1,354.6</u> |
| Weighted average interest rate of Long-term debt | 4.3 % | 4.3 % |
| Weighted average term of available Long-term debt | 4.5 years | 5.3 years |
| Fair value of Senior unsecured notes (Level 1) | \$ 904.7 | \$ 1,147.7 |

Senior Unsecured Notes

2025 Senior Unsecured Notes

On 15 January 2021, the Company redeemed US\$400.0 million aggregate principal amount of its 4.750% senior notes due 2025 (the “2025 Notes”) and recorded a loss on early debt extinguishment of US\$13.1 million, which included US\$9.5 million of call redemption premiums and US\$3.6 million of unamortized financing costs associated with these notes.

On 18 January 2021, the 2025 Notes were delisted from the Global Exchange Market which is operated by Euronext Dublin.

2026 Senior Unsecured Notes

In October 2018, JHIF completed the sale of €400.0 million aggregate principal amount of 3.625% senior notes at par due 1 October 2026 (the “2026 Notes”) with interest payable semi-annually in arrears on 1 October and 1 April of each year. The proceeds from the offering were used to repay €400.0 million outstanding borrowings under a 364-day term loan facility (the “Term Loan Facility”) which was used to complete the Fermacell acquisition. On 3 October 2018, JHIF repaid all €400.0 million aggregate principal amount and accrued interest of its Term Loan Facility following the completion of the sale of €400.0 million 2026 Notes (US\$458.8 million, based on the exchange rate at 3 October 2018). In connection with this repayment, the Company recorded a loss on early debt extinguishment of US\$1.0 million during the fiscal year ended 31 March 2019 associated with the unamortized portion of the deferred financing fees.

2028 Senior Unsecured Notes

In December 2017, JHIF completed the sale of US\$400.0 million aggregate principal amount of 5.000% senior notes at par due 15 January 2028 (the “2028 Notes”) with interest payable semi-annually in arrears on 15 January and 15 July of each year.

Unsecured Revolving Credit Facility

In December 2015, James Hardie International Finance Designated Activity Company (“JHIF”) and James Hardie Building Products Inc. (“JHBP”), each a wholly-owned subsidiary of JHI plc, entered into a US\$500.0 million unsecured revolving credit facility (the “Revolving Credit Facility”) with certain commercial banks and HSBC Bank USA, National Association, as administrative agent. In December 2017, the Revolving Credit Facility was amended to, among other things, extend the maturity date to December 2022. Debt issuance costs in connection with the Revolving Credit Facility are being amortized as interest expense over the stated term of five years.

Borrowings under the Revolving Credit Facility bear interest at per annum rates equal to, at the borrower’s option, either: (i) the London Interbank Offered Rate (“LIBOR”) plus an applicable margin for LIBOR loans; or (ii) a base rate plus an applicable margin for base rate loans. For LIBOR Loans, the applicable margin ranges from 1.25% to 2.00%, and for base rate loans it ranges from 0.25% to 1.00%. The Company also pays a commitment fee of between 0.20% and 0.35% on the actual daily amount of the unutilized revolving loans.

Guarantees and Compliance

The indenture governing the senior unsecured notes contain covenants that, among other things, limit the ability of the guarantors and their restricted subsidiaries to incur liens on assets, make certain restricted payments, engage in certain sale and leaseback transactions and merge or consolidate with or into other companies. These covenants are subject to certain exceptions and qualifications as described in the indenture. At 31 March 2021, the Company was in compliance with all of its requirements under the indenture related to the senior unsecured notes.

The senior unsecured notes are guaranteed by JHIGL, JHBP and JHTL, each of which are wholly-owned subsidiaries of JHI plc.

The Revolving Credit Facility agreement contains certain covenants that, among other things, restrict JHIGL and its restricted subsidiaries' ability to incur indebtedness and grant liens other than certain types of permitted indebtedness and permitted liens, make certain restricted payments, and undertake certain types of mergers or consolidations actions. At 31 March 2021, the Company was in compliance with all covenants contained in the Revolving Credit Facility agreement.

The Revolving Credit Facility is guaranteed by each of JHIGL and James Hardie Technology Limited ("JHTL"), each of which are wholly-owned subsidiaries of JHI plc.

Off Balance Sheet Arrangements

As of 31 March 2021, the Company had a total borrowing base capacity under the Revolving Credit Facility of US\$500.0 million with outstanding borrowings of nil, and US\$4.7 million of issued but undrawn letters of credit and bank guarantees. These letters of credit and bank guarantees relate to various operational matters including insurance, performance bonds and other items, leaving the Company with US\$495.3 million of available borrowing capacity under the Revolving Credit Facility.

Subsequent Event

As of 18 May 2021, the Company had US\$110.0 million drawn under its revolving credit facility, which was used to partially fund the payment of the fiscal year 2021 special dividend.

11. Product Warranties

The Company offers various warranties on its products, including a 30-year limited warranty on certain fiber cement siding products in the United States. A typical warranty program requires the Company to replace defective products within a specified time period from the date of sale. It is possible that future warranty costs could differ from those estimates.

The following are the changes in the product warranty provision:

| (Millions of US dollars) | 2021 | 31 March 2020 | 2019 |
|-------------------------------------|---------|------------------|---------|
| Balance at beginning of period | \$ 42.4 | \$ 46.6 | \$ 52.8 |
| Increase (Decrease) in accrual | 2.4 | 0.8 | (0.8) |
| Acquired during the period | — | — | 0.5 |
| Settlements made in cash or in kind | (5.2) | (5.0) | (5.9) |
| Balance at end of period | \$ 39.6 | \$ 42.4 | \$ 46.6 |

12. Asbestos

The AFFA was approved by shareholders in February 2007 to provide long-term funding to AICF. For a discussion of the AFFA and the accounting policies utilized by the Company related to the AFFA and AICF, see Note 1.

Asbestos Adjustments

The *Asbestos adjustments* included in the consolidated statements of operations and comprehensive income comprise the following:

| (Millions of US dollars) | Years Ended 31 March | | |
|--|----------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Change in estimates: | | | |
| Change in actuarial estimate - asbestos liability | \$ (33.0) | \$ (133.8) | \$ (73.8) |
| Change in actuarial estimate - insurance receivable | 2.0 | 5.7 | — |
| Change in estimate - AICF claims-handling costs | (1.5) | 0.1 | 1.1 |
| Subtotal - Change in estimates | (32.5) | (128.0) | (72.7) |
| Effect of foreign exchange on Asbestos net liabilities | (123.0) | 69.0 | 49.5 |
| Gain (loss) on foreign currency forward contracts | 11.7 | 0.8 | (0.8) |
| Adjustments in insurance receivable | — | — | 2.0 |
| Other | (0.1) | — | — |
| Total Asbestos Adjustments | \$ (143.9) | \$ (58.2) | \$ (22.0) |

Actuarial Study; Claims Estimate

AICF commissioned an updated actuarial study of potential asbestos-related liabilities as of 31 March 2021. Based on KPMGA's assumptions, KPMGA arrived at a range of possible total cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows.

The following table sets forth the central estimates, net of insurance recoveries, calculated by KPMGA as of 31 March 2021:

| (Millions of US and Australian dollars, respectively) | Year Ended 31 March 2021 | |
|---|--------------------------|---------|
| | US\$ | A\$ |
| Central Estimate – Discounted and Inflated | 1,339.8 | 1,762.6 |
| Central Estimate – Undiscounted but Inflated | 1,545.8 | 2,033.7 |
| Central Estimate – Undiscounted and Uninflated | 1,027.6 | 1,351.9 |

The asbestos liability has been revised to reflect the most recent undiscounted and uninflated actuarial estimate prepared by KPMGA as of 31 March 2021.

In estimating the potential financial exposure, KPMGA has made a number of assumptions, including, but not limited to, assumptions related to the peak period of claims, total number of claims that are reasonably estimated to be asserted through 2073, the typical cost of settlement (which is sensitive to, among other factors, the industry in which a plaintiff claims exposure, the alleged disease type, the age of the claimant and the jurisdiction in which the action is brought), the legal costs incurred in the litigation of such claims, the rate of receipt of claims, the settlement strategy in dealing with outstanding claims and the timing of settlements. Changes to the assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

Due to inherent uncertainties in the legal and medical environment, the number and timing of future claim notifications and settlements, the recoverability of claims against insurance contracts, and estimates of future trends in average claim awards, as well as the extent to which the above named entities will contribute to the overall settlements, the actual liability could differ materially from that which is currently recorded.

The potential range of costs as estimated by KPMGA is affected by a number of variables such as nil settlement rates, peak year of claims, past history of claims numbers, average settlement rates, past history of Australian asbestos-related medical injuries, current number of claims, average defense and plaintiff legal costs, base wage inflation and superimposed inflation. The potential range of losses disclosed includes both asserted and unasserted claims.

A sensitivity analysis was performed by KPMGA to determine how the actuarial estimates would change if certain assumptions (i.e., the rate of inflation and superimposed inflation, the average costs of claims and legal fees, and the projected numbers of claims) were different from the assumptions used to determine the central estimates. The sensitivity analysis performed in the actuarial report is directly related to the discounted but inflated central estimate and the undiscounted but inflated central estimate. The actual cost of the liabilities could be outside of that range depending on the results of actual experience relative to the assumptions made.

The following table summarizes the results of the analysis:

| (Millions of US and Australian dollars, respectively) | As of 31 March 2021 | |
|---|---------------------|---------|
| | US\$ | A\$ |
| Discounted (but inflated) - Low | 990.7 | 1,303.4 |
| Discounted (but inflated) - High | 2,229.6 | 2,933.2 |
| Undiscounted (but inflated) - Low | 1,119.4 | 1,472.7 |
| Undiscounted (but inflated) - High | 2,694.4 | 3,544.8 |

Potential variation in the estimated peak period of claims has an impact much greater than the other assumptions used to derive the discounted central estimate. In performing the sensitivity assessment of the estimated incidence pattern reporting for mesothelioma, if the pattern of incidence was shifted by two years, the central estimate could increase by approximately 21% on a discounted basis.

Claims Data

The following table shows the activity related to the numbers of open claims, new claims and closed claims during each of the past five years and the average settlement per settled claim and case closed:

| | For the Years Ended 31 March | | | | |
|--|------------------------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Number of open claims at beginning of period | 393 | 332 | 336 | 352 | 426 |
| Number of new claims | | | | | |
| Direct claims | 392 | 449 | 430 | 422 | 402 |
| Cross claims | 153 | 208 | 138 | 140 | 155 |
| Number of closed claims | 578 | 596 | 572 | 578 | 631 |
| Number of open claims at end of period | 360 | 393 | 332 | 336 | 352 |
| Average settlement amount per settled claim | A\$248,000 | A\$277,000 | A\$262,000 | A\$253,000 | A\$224,000 |
| Average settlement amount per case closed | A\$225,000 | A\$245,000 | A\$234,000 | A\$217,000 | A\$168,000 |
| | | | | | |
| Average settlement amount per settled claim | US\$178,000 | US\$189,000 | US\$191,000 | US\$196,000 | US\$168,000 |
| Average settlement amount per case closed | US\$162,000 | US\$167,000 | US\$171,000 | US\$168,000 | US\$126,000 |

During fiscal year 2021, mesothelioma claims reporting activity was favorable compared to actuarial expectations and the prior corresponding period, primarily driven by lower direct claims which typically cost significantly more than the cross claims. Consistent with prior years, the claimants ages are increasing which also has had a favorable effect on average claim size.

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF, which is currently KPMGA. The Company's disclosures with respect to claims statistics are subject to it obtaining such information, however, the AFFA does not provide the Company an express right to audit or otherwise require independent verification of such information or the methodologies to be adopted by the approved actuary. As such, the Company relies on the accuracy and completeness of the information provided by AICF to the approved actuary and the resulting information and analysis of the approved actuary when making disclosures with respect to claims statistics.

The following is a detailed rollforward of the Net Unfunded AFFA liability, net of tax, for the fiscal year ended 31 March 2021:

| (Millions of US dollars) | Asbestos Liability | Insurance Receivables | Restricted Cash and Investments | Other Assets and Liabilities | Net Unfunded AFFA Liability | Deferred Tax Assets | Income Tax Payable | Net Unfunded AFFA Liability, net of tax |
|---|---------------------|-----------------------|---------------------------------|------------------------------|-----------------------------|---------------------|--------------------|---|
| Opening Balance - 31 March 2020 | \$ (986.4) | \$ 43.5 | \$ 58.0 | \$ (2.0) | \$ (886.9) | \$ 319.1 | \$ 23.4 | \$ (544.4) |
| Asbestos claims paid ¹ | 105.3 | — | (105.3) | — | — | — | — | — |
| Payment received in accordance with AFFA ² | — | — | 153.3 | — | 153.3 | — | — | 153.3 |
| AICF claims-handling costs incurred (paid) | 1.1 | — | (1.1) | — | — | — | — | — |
| AICF operating costs paid - non claims-handling | — | — | (1.2) | — | (1.2) | — | — | (1.2) |
| Change in actuarial estimate | (33.0) | 2.0 | — | — | (31.0) | — | — | (31.0) |
| Change in claims handling cost estimate | (1.5) | — | — | — | (1.5) | — | — | (1.5) |
| Impact on deferred income tax due to change in actuarial estimate | — | — | — | — | — | 9.7 | — | 9.7 |
| Insurance recoveries | — | (5.8) | 5.8 | — | — | — | — | — |
| Movement in income tax payable | — | — | — | — | — | (33.5) | 7.4 | (26.1) |
| Other movements | — | — | 9.5 | 0.4 | 9.9 | 0.2 | — | 10.1 |
| Effect of foreign exchange | (221.3) | 9.8 | 12.5 | (0.3) | (199.3) | 71.9 | 4.4 | (123.0) |
| Closing Balance - 31 March 2021 | \$ (1,135.8) | \$ 49.5 | \$ 131.5 | \$ (1.9) | \$ (956.7) | \$ 367.4 | \$ 35.2 | \$ (554.1) |

1 Claims paid of US\$105.3 million reflects A\$146.5 million converted at the average exchange rate for the period based on the assumption that these transactions occurred evenly throughout the period.

AICF Funding

During the fiscal year ending 31 March 2022, the Company anticipates that it will contribute approximately US\$252.6 million to AICF. This amount represents 35% of the Company's fiscal year 2021 free cash flow which is equivalent to operating cash flows of US\$786.9 million less an adjustment of US\$65.3 million, resulting in free cash flow of US\$721.6 million for fiscal year 2021, as defined by the AFFA.

During the fiscal years ended 31 March 2021, 2020 and 2019, the Company contributed US\$153.3 million (A\$220.9 million), US\$108.9 million (A\$156.7 million) and US\$103.0 million (A\$138.4 million), respectively, to AICF.

Restricted Short-Term Investments

AICF invests its excess cash in time deposits, which are classified as available-for-sale investments until maturity. The following table represents the investments entered into or maturing during the fiscal year ended 31 March 2021:

| Date Invested | Maturity Date | Interest Rate | A\$ Millions |
|---------------|---------------|---------------|--------------|
| October 2020 | 2 July 2021 | 0.59% | 35.0 |
| July 2019 | 30 April 2020 | 1.70% | 20.0 |
| July 2019 | 1 June 2020 | 1.70% | 15.0 |

At 31 March 2021, AICF's short-term investments were revalued resulting in a mark-to-market fair value adjustment of nil.

AICF – NSW Government Secured Loan Facility

AICF may borrow, subject to certain conditions, up to an aggregate amount of A\$320.0 million (US\$243.2 million, based on the exchange rate at 31 March 2021). The AICF Loan Facility is guaranteed by the Former James Hardie Companies and is available to be drawn for the payment of claims through 1 November 2030, at which point, all outstanding borrowings must be repaid. Borrowings made under the AICF Loan Facility are classified as current, as AICF intends to repay the debt within one year. At 31 March 2021 and 2020, AICF had no amounts outstanding under the AICF Loan Facility.

13. Derivative Instruments

Foreign Currency Forward Contracts

The Company's foreign currency forward contracts are valued using models that maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and are categorized as Level 2 within the fair value hierarchy.

Interest Rate Swaps

The fair value of interest rate swap contracts is calculated based on the fixed rate, notional principal, settlement date and present value of the future cash inflows and outflows based on the terms of the agreement and the future floating interest rates as determined by a future interest rate yield curve. The model used to value the interest rate swap contracts is based upon well recognized financial principles, and interest rate yield curves can be validated through readily observable data by external sources. Although readily observable data is used in the valuations, different valuation methodologies could impact the estimated fair value. Accordingly, the interest rate swap contracts are categorized as Level 2 within the fair value hierarchy. Gain and loss on interest rate swap contracts are immaterial and included in *Other income (expense)*.

Derivative Balances

The following table sets forth the total outstanding notional amount and the fair value of the Company's derivative instruments held at 31 March 2021 and 2020:

| (Millions of US dollars) | Notional Amount | | Fair Value as of | | | |
|---|-----------------|----------------|------------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | | 31 March 2020 | |
| Derivatives not accounted for as hedges | | | Assets | Liabilities | Assets | Liabilities |
| Foreign currency forward contracts | \$ 456.1 | \$ — | \$ 5.5 | \$ 8.3 | \$ — | \$ — |
| Interest rate swap contracts | — | 25.0 | — | — | — | 0.1 |
| Total | \$ 456.1 | \$ 25.0 | \$ 5.5 | \$ 8.3 | \$ — | \$ 0.1 |

The following table sets forth the gain and loss on the Company's foreign currency forward contracts recorded in the Company's consolidated statements of operations and comprehensive income as follows:

| (Millions of US dollars) | 2021 | 31 March 2020 | 2019 |
|--|-----------|------------------|--------|
| Asbestos adjustments (gain) loss | \$ (11.7) | \$ (0.8) | \$ 0.8 |
| Selling, general and administrative expenses | 7.2 | 1.3 | 3.9 |
| Total | \$ (4.5) | \$ 0.5 | \$ 4.7 |

14. Commitments and Contingencies

Legal Matters

The Company is involved from time to time in various legal proceedings and administrative actions related to the normal conduct of its business, including general liability claims, putative class action lawsuits and litigation concerning its products.

Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, except as they relate to asbestos and New Zealand product liability claims as described in these consolidated financial statements.

New Zealand Weathertightness Claims

Since fiscal year 2002, the Company's New Zealand subsidiaries have been joined in a number of weathertightness claims in New Zealand that relate to residential buildings (single dwellings and apartment complexes) and a small number of non-residential buildings, primarily constructed from 1998 to 2004. The claims often involve multiple parties and allege that losses were incurred due to excessive moisture penetration of the buildings' structures. The claims typically include allegations of poor building design, inadequate certification of plans, inadequate construction review and compliance certification and deficient work by sub-contractors.

Historically, the Company's New Zealand subsidiaries have been joined to these claims as one of several co-defendants, including local government entities responsible for enforcing building codes and practices, resulting in the Company's New Zealand subsidiaries becoming liable for only a portion of each claim. In addition, the Company's New Zealand subsidiaries have had access to third-party recoveries to defray a portion of the costs incurred in resolving such claims.

In 2015, the Company and/or its subsidiaries were named as the sole defendants in four claims on behalf of multiple defendants, three of which are still pending and each of which allege that the New Zealand subsidiaries' products were inherently defective. The Company believes it has substantial factual and legal defenses to these claims and is defending the claims vigorously.

Cridge, et al. (Case Nos. CIV-2015-485-594 and CIV-2015-485-773), In the High Court of New Zealand, Wellington Registry (hereinafter the “Cridge litigation”). In August 2020, trial of phase one of the Cridge litigation commenced in Wellington, New Zealand solely to determine whether the Company’s New Zealand subsidiaries had a duty to the plaintiffs and breached that duty. This phase of the trial concluded in December 2020, and a decision by the Wellington High Court is expected to be announced late in the first quarter of FY 2022. We believe we have substantial factual and legal defenses to the claims in the Cridge litigation. While an unfavorable outcome in this phase is possible as litigation is inherently unpredictable, management does not believe that the outcome of this phase of the litigation will have a material adverse effect on the Company’s financial position. As of 31 March 2021, the Company has not recorded a reserve related to the Cridge litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated. If an adverse decision is reached by the Wellington High Court, certain factors anticipated to be included in the decision may allow the Company to estimate a reasonable range of liability in the Cridge litigation.

White, et al. (Case No. CIV-2015-404-2981 [2021] NZHC 930), In the High Court of New Zealand, Auckland Registry (hereinafter the “White litigation”). The trial of phase one of the White litigation is scheduled to commence on 17 May 2021 in Auckland, New Zealand solely to determine whether the Company’s New Zealand subsidiaries, along with three non-New Zealand Group entities, had a duty to the plaintiffs and breached that duty. As of 31 March 2021, the Company has not recorded a reserve related to the White litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

Waitakere, et al. (Case No. CIV-2015-404-3080), In the High Court of New Zealand, Auckland Registry (hereinafter the “Waitakere litigation”). The trial in the Waitakere litigation is currently not scheduled to begin until May 2023 in Auckland, New Zealand. As of 31 March 2021, the Company has not recorded a reserve related to the Waitakere litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

A court’s decision in one or more of the litigation matters has the potential to impact the accounting treatment regarding the probability of a potential loss and the Company’s ability to reasonably estimate a reserve with regards to the other litigation matters discussed above. Furthermore, an adverse judgement in one or more of these litigation matters could have a material adverse impact on our consolidated financial position, results of operations or cash flows.

Readers are referred to Note 1 for further information related to our policies related to asserted and unasserted claims.

Environmental and Legal

The operations of the Company, like those of other companies engaged in similar businesses, are subject to several laws and regulations on air and water quality, waste handling and disposal. The Company’s policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists and the amount can be reasonably estimated.

15. Income Taxes

Income tax expense includes income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. Income tax expense consists of the following components:

| (Millions of US dollars) | Years Ended 31 March | | |
|--------------------------------------|----------------------|-----------|-----------|
| | 2021 | 2020 | 2019 |
| Income before income taxes: | | | |
| Domestic | \$ 241.9 | \$ 209.6 | \$ 196.4 |
| Foreign | 170.1 | 78.4 | 104.2 |
| Income before income taxes: | \$ 412.0 | \$ 288.0 | \$ 300.6 |
| Income tax expense: | | | |
| Current: | | | |
| Domestic | \$ (38.5) | \$ (31.1) | \$ (26.6) |
| Foreign | 8.6 | 39.8 | (6.5) |
| Current income tax (expense) benefit | (29.9) | 8.7 | (33.1) |
| Deferred: | | | |
| Domestic | (1.4) | (4.5) | (1.3) |
| Foreign | (117.9) | (50.7) | (37.4) |
| Deferred income tax expense | (119.3) | (55.2) | (38.7) |
| Total income tax expense | \$ (149.2) | \$ (46.5) | \$ (71.8) |

Income tax expense computed at the statutory rates represents taxes on income applicable to all jurisdictions in which the Company conducts business, calculated at the statutory income tax rate in each jurisdiction multiplied by the pre-tax income attributable to that jurisdiction.

Income tax expense is reconciled to the tax at the statutory rates as follows:

| (Millions of US dollars) | Years Ended 31 March | | |
|--|----------------------|-----------|-----------|
| | 2021 | 2020 | 2019 |
| Income tax expense computed at the statutory tax rates | \$ (58.1) | \$ (38.7) | \$ (48.9) |
| US state income taxes, net of the federal benefit | (8.0) | (5.7) | (3.1) |
| Asbestos - effect of foreign exchange | (36.8) | 20.9 | 14.9 |
| Expenses not deductible | (2.0) | (5.5) | (4.0) |
| Stock and executive compensation | (5.5) | (1.7) | (1.3) |
| Foreign taxes on domestic income | (49.8) | (43.5) | (34.5) |
| Prior year tax adjustments | 5.9 | (0.4) | (0.3) |
| Taxes on foreign income | (1.6) | 2.7 | 4.5 |
| US net operating loss carryback | 4.9 | 25.5 | — |
| Other items | 1.8 | (0.1) | 0.9 |
| Total income tax expense | \$ (149.2) | \$ (46.5) | \$ (71.8) |
| Effective tax rate | 36.2 % | 16.1 % | 23.9 % |

Deferred tax balances consist of the following components:

| (Millions of US dollars) | 31 March | |
|--|------------|------------|
| | 2021 | 2020 |
| Deferred tax assets: | | |
| Intangible assets | \$ 1,038.7 | \$ 1,126.4 |
| Asbestos liability | 367.4 | 319.1 |
| Other provisions and accruals | 62.2 | 54.1 |
| Net operating loss carryforwards | 61.0 | 41.3 |
| Foreign and research tax credit carryforwards | 122.1 | 114.2 |
| Total deferred tax assets | 1,651.4 | 1,655.1 |
| Valuation allowance | (262.7) | (262.9) |
| Total deferred tax assets net of valuation allowance | 1,388.7 | 1,392.2 |
| Deferred tax liabilities: | | |
| Depreciable and amortizable assets | (151.7) | (117.5) |
| Other | (49.1) | (48.1) |
| Total deferred tax liabilities | (200.8) | (165.6) |
| Total deferred taxes, net | \$ 1,187.9 | \$ 1,226.6 |

Deferred income taxes include net operating loss carry-forwards. At 31 March 2021, the Company had tax loss carry-forwards in Australia, New Zealand, Europe and the US of approximately US\$61.0 million, that are available to offset future taxable income in the respective jurisdiction.

The Australian net operating loss carry-forwards primarily result from current and prior year tax deductions for contributions to AICF. James Hardie 117 Pty Limited, the performing subsidiary under the AFFA, is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. At 31 March 2021, the Company recognized a tax deduction of US\$110.9 million (A\$154.3 million) for the current year relating to total contributions to AICF of US\$558.5 million (A\$771.7 million) incurred in tax years 2017 through 2021.

The Company establishes a valuation allowance against a deferred tax asset if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

At 31 March 2021, the Company had foreign tax credit carry-forwards of US\$119.5 million and research credits of US\$2.6 million that are available to offset future taxes payable. At 31 March 2021, the Company had a 100% valuation allowance against the foreign tax credit carry-forwards.

In determining the need for and the amount of a valuation allowance in respect of the Company's asbestos related deferred tax asset, management reviewed the relevant empirical evidence, including the current and past core earnings of the Australian business and forecast earnings of the Australian business considering current trends. Although realization of the deferred tax asset will occur over the life of the AFFA, which extends beyond the forecast period for the Australian business, Australia provides an unlimited carry-forward period for tax losses. Based upon managements' review, the Company believes that it is more likely than not that the Company will realize its asbestos related deferred tax asset and that no valuation allowance is necessary as of 31 March 2021. In the future, based on review of the empirical evidence by management at that time, if management determines that realization of its asbestos related deferred tax asset is not more likely than not, the Company may need to provide a valuation allowance to reduce the carrying value of the asbestos related deferred tax asset to its realizable value.

At 31 March 2021, the Company had prepaid and refundable income taxes of US\$30.5 million. During the fiscal year ended 31 March 2021, total income tax refunds received, net of withholding tax paid was US\$3.7 million.

The US Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted in March 2020 providing wide ranging economic relief for individuals and businesses. One component of the CARES Act provides the Company with an opportunity to carryback US net operating losses ("NOLs") arising during the years ended 31 March 2021 and 2020 to the prior five tax years. The Company has previously valued its NOLs at the US federal corporate income tax rate of 21%. However, the provisions of the CARES Act provide for NOL carryback claims to be calculated based on a rate of 35%, which was the US federal corporate tax rate in effect in the carryback years. The Company intends to utilize these carryback provisions to obtain an estimated refund of US\$42.3 million. At 31 March 2021 the Company recorded current taxes receivable of US\$25.3 million, a reduction of US\$17.0 million in non-current taxes payable associated with the deferred deemed repatriation tax and an income tax benefit of US\$4.9 million resulting from tax losses being utilized at the higher US federal corporate tax rate applying in the carryback years.

The Company or its subsidiaries files income tax returns in various jurisdictions including Ireland, the United States, Australia and various jurisdictions in Europe and Asia Pacific. Due to the size and nature of its business, the Company is subject to ongoing audits and reviews by taxing jurisdictions on various tax matters. The Company is no longer subject to general tax examinations in Ireland for the tax years prior to tax year 2017, Australia for tax years prior to tax year 2016 and in the US for tax years prior to tax year 2014.

Unrecognized Tax Benefits

For the fiscal years ended 31 March 2021, 2020, and 2019, the total amount of penalties and interest recorded in Income tax expense related to unrecognized tax benefits were immaterial. The liabilities associated with uncertain tax benefits are included in *Other liabilities* on the Company's consolidated balance sheets. At 31 March 2021, the total amount of unrecognized tax benefits and the total amount of interest and penalties accrued by the Company that, if recognized, would affect the effective tax rate were US\$0.5 million.

16. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

| (Millions of US dollars) | Years Ended 31 March | | | |
|---|----------------------|----------------|----------------|--|
| | 2021 | 2020 | 2019 | |
| Liability Awards | \$ 21.7 | \$ 2.8 | \$ (0.6) | |
| Equity Awards | 18.0 | 10.3 | 12.5 | |
| Total stock-based compensation expense | \$ 39.7 | \$ 13.1 | \$ 11.9 | |

As of 31 March 2021, the unrecorded future stock-based compensation expense related to outstanding equity awards was US\$17.1 million and will be recognized over an estimated weighted average amortization period of 1.8 years.

2001 Equity Incentive Plan

Under the Company's 2001 Equity Incentive Plan (the "2001 Plan"), which was reapproved to continue until September 2021, the Company can grant equity awards in the form of nonqualified stock options, performance awards, restricted stock grants, stock appreciation rights, dividend equivalent rights, phantom stock or other stock-based benefits such as restricted stock units.

Long-Term Incentive Plan 2006

The Company's shareholders approved the establishment of a Long-Term Incentive Plan in 2006 (the "LTIP") to provide incentives to certain members of senior management ("Executives"). The Company determines the conditions or restrictions of any awards, which may include requirements of continued employment, individual performance or the Company's financial performance or other criteria. Currently, the plan only allows for RSUs to be granted under the LTIP.

The following table summarizes the Company's shares available for grant as options, RSUs or other equity instruments under the LTIP and 2001 Plan:

| | Shares Available for Grant |
|---------------------------------|----------------------------------|
| Balance at 31 March 2019 | 23,744,816 |
| Granted | (800,437) |
| Balance at 31 March 2020 | 22,944,379 |
| Granted | (856,756) |
| Balance at 31 March 2021 | 22,087,623 |

RSUs

The Company estimates the fair value of RSUs on the date of grant and recognizes this estimated fair value as compensation expense over the periods in which the RSU vests.

The following table summarizes the Company's RSU activity:

| (Units) | Service Vesting (2001 Plan) | Performance Vesting (LTIP) | Market Conditions (LTIP) | Total | Weighted Average Fair Value at Grant Date (A\$) |
|-------------------------------------|-----------------------------------|----------------------------------|-----------------------------|------------------|--|
| Outstanding at 31 March 2019 | 910,386 | 1,148,022 | 2,203,100 | 4,261,508 | 14.47 |
| Granted | 24,006 | 273,258 | 503,173 | 800,437 | 18.08 |
| Vested | (304,591) | (207,271) | (362,973) | (874,835) | 16.21 |
| Forfeited | (109,169) | (349,844) | (565,660) | (1,024,673) | 15.21 |
| Outstanding at 31 March 2020 | 520,632 | 864,165 | 1,777,640 | 3,162,437 | 14.64 |
| Granted | 371,806 | 190,376 | 294,574 | 856,756 | 26.56 |
| Vested | (245,385) | (174,356) | (722,156) | (1,141,897) | 13.03 |
| Forfeited | (53,567) | (153,897) | (63,136) | (270,600) | 17.05 |
| Outstanding at 31 March 2021 | 593,486 | 726,288 | 1,286,922 | 2,606,696 | 19.01 |

The following table includes the assumptions used for RSU grants (market condition) valued:

| Vesting Condition: | Market FY21 | Market FY21 | Market FY20 | Market FY20 | Market FY20 |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Date of grant ¹ | 15 Sep 2020 | 5 Nov 2020 | 25 Feb 2020 | 20 Sep 2019 | 9 Aug 2019 |
| Dividend yield (per annum) | — % | 1.3 % | 2.9 % | 3.1 % | 3.1 % |
| Expected volatility | 39.2 % | 40.1 % | 26.6 % | 26.6 % | 27.8 % |
| Risk free interest rate | 0.2 % | 0.2 % | 1.2 % | 1.6 % | 1.6 % |
| Expected life in years | 2.9 | 2.8 | 2.5 | 2.9 | 2.0 |
| JHX stock price at grant date (A\$) | 30.33 | 37.24 | 29.54 | 24.69 | 21.68 |
| Number of restricted stock units | 167,491 | 127,083 | 6,676 | 477,979 | 18,518 |

Scorecard LTI – CSUs

Under the terms of the LTIP, the Company grants scorecard LTI CSUs to executives and the vesting of awards is based on the individual's performance measured over a three year period against certain performance targets. These awards provide recipients a cash incentive based on an average 20 trading-day closing price of JHI plc's common stock price and each executive's scorecard rating.

The following represents the activity related to the CSUs:

| | FY21 | FY20 |
|-----------|-------------|-------------|
| Granted | 571,132 | 791,217 |
| Vested | 377,506 | 129,549 |
| Cancelled | 607,253 | 328,935 |

For the fiscal years ending 31 March 2021, 2020 and 2019, US\$8.2 million, US\$2.0 million and US\$2.4 million, respectively, was paid in cash upon vesting of CSU units.

17. Dividends

The following table summarizes the dividends declared or paid during the fiscal years 2021, 2020 and 2019:

| (Millions of US dollars) | US Cents/Security | US\$ Millions Total Amount | Announcement Date | Record Date | Payment Date |
|--|----------------------|-------------------------------|-------------------|------------------|------------------|
| FY 2021 special dividend | 0.70 | 309.6 | 10 February 2021 | 19 February 2021 | 30 April 2021 |
| FY 2020 first half dividend ¹ | 0.10 | 44.7 | 7 November 2019 | 18 November 2019 | 20 December 2019 |
| FY 2019 second half dividend | 0.26 | 113.9 | 21 May 2019 | 6 June 2019 | 2 August 2019 |
| FY 2019 first half dividend | 0.10 | 43.6 | 8 November 2018 | 12 December 2018 | 22 February 2019 |
| FY 2018 second half dividend | 0.30 | 128.5 | 22 May 2018 | 7 June 2018 | 3 August 2018 |

18. Operating Segment Information and Concentrations of Risk

The Company reports its operating segment information in the format that the operating segment information is available to and evaluated by the Chief Operating Decision Maker. The North America Fiber Cement segment manufactures fiber cement interior linings, exterior siding products and related accessories in the United States; these products are sold in the United States and Canada. The Asia Pacific Fiber Cement segment includes all fiber cement products manufactured in Australia and the Philippines, and sold in Australia, New Zealand, Asia, the Middle East and various Pacific Islands. The Europe Building Products segment includes the Fermacell business and fiber cement product manufactured in the United States that is sold in Europe. The Other Businesses segment ceased to be an operating and reportable segment effective 31 March 2020 due to the Company's completion of its exit of its non-fiber cement manufacturing and sales activities in North America, including fiberglass windows. The Research and Development segment represents the cost incurred by the research and development centers. General Corporate primarily consist of *Asbestos adjustments*, officer and employee compensation and related benefits, professional and legal fees, administrative costs and rental expense, net of rental income, on the Company's corporate offices. The Company does not report net interest expense for each segment as the segments are not held directly accountable for interest expense.

Operating Segments

The following is the Company's operating segment information:

| (Millions of US dollars) | 2021 | Net Sales Years Ended 31 March | |
|----------------------------|-------------------|-----------------------------------|-------------------|
| | | 2020 | 2019 |
| North America Fiber Cement | \$ 2,040.2 | \$ 1,816.4 | \$ 1,676.9 |
| Asia Pacific Fiber Cement | 458.2 | 418.4 | 446.8 |
| Europe Building Products | 410.3 | 371.4 | 368.3 |
| Other Businesses | — | 0.6 | 14.6 |
| Worldwide total | <u>\$ 2,908.7</u> | <u>\$ 2,606.8</u> | <u>\$ 2,506.6</u> |

| (Millions of US dollars) | 2021 | Income Before Income Taxes Years Ended 31 March | |
|----------------------------|----------------|--|---------------|
| | | 2020 | 2019 |
| North America Fiber Cement | \$ 585.5 | \$ 429.3 | \$ 382.5 |
| Asia Pacific Fiber Cement | 124.8 | 58.5 | 99.8 |
| Europe Building Products | 37.6 | 11.2 | 10.0 |
| Other Businesses | — | — | (30.9) |
| Research and Development | (28.9) | (27.0) | (29.0) |
| Segments total | <u>719.0</u> | <u>472.0</u> | <u>432.4</u> |
| General Corporate | <u>(246.2)</u> | <u>(129.5)</u> | <u>(80.8)</u> |
| Total operating income | <u>472.8</u> | <u>342.5</u> | <u>351.6</u> |

| (Millions of US dollars) | Depreciation and Amortization Years ended 31 March | | | | | |
|----------------------------|---|-------|------|-------|------|-------|
| | 2021 | | 2020 | | 2019 | |
| North America Fiber Cement | \$ | 89.1 | \$ | 88.7 | \$ | 80.2 |
| Asia Pacific Fiber Cement | | 13.9 | | 12.7 | | 12.8 |
| Europe Building Products | | 28.0 | | 25.6 | | 18.7 |
| Other Businesses | | — | | 0.2 | | 2.3 |
| General Corporate | | 2.8 | | 3.2 | | 4.3 |
| Research and Development | | 1.2 | | 1.1 | | 1.1 |
| Total | \$ | 135.0 | \$ | 131.5 | \$ | 119.4 |

| (Millions of US dollars) | Total Identifiable Assets 31 March | | | |
|--------------------------------|---------------------------------------|---------|------|---------|
| | 2021 | | 2020 | |
| North America Fiber Cement | \$ | 1,273.9 | \$ | 1,320.0 |
| Asia Pacific Fiber Cement | | 371.0 | | 314.3 |
| Europe Building Products | | 762.1 | | 748.5 |
| Research and Development | | 10.3 | | 8.6 |
| Segments total | | 2,417.3 | | 2,391.4 |
| General Corporate ¹ | | 1,671.7 | | 1,636.9 |
| Worldwide total | \$ | 4,089.0 | \$ | 4,028.3 |

The following is the Company's geographical information:

| (Millions of US dollars) | Net Sales Years Ended 31 March | | | |
|------------------------------|-----------------------------------|---------|------|---------|
| | 2021 | | 2020 | |
| North America ² | \$ | 2,040.2 | \$ | 1,817.0 |
| Australia | | 321.9 | | 290.4 |
| Germany | | 143.0 | | 135.7 |
| New Zealand | | 81.9 | | 72.2 |
| Other Countries ³ | | 321.7 | | 291.5 |
| Worldwide total | \$ | 2,908.7 | \$ | 2,606.8 |

| (Millions of US dollars) | Total Identifiable Assets 31 March | | | |
|--------------------------------|---------------------------------------|---------|------|---------|
| | 2021 | | 2020 | |
| North America ² | \$ | 1,279.4 | \$ | 1,324.8 |
| Australia | | 256.7 | | 220.0 |
| Germany | | 527.6 | | 519.3 |
| New Zealand | | 46.3 | | 32.4 |
| Other Countries ³ | | 307.3 | | 294.9 |
| Segments total | | 2,417.3 | | 2,391.4 |
| General Corporate ¹ | | 1,671.7 | | 1,636.9 |
| Worldwide total | \$ | 4,089.0 | \$ | 4,028.3 |

1. Included in General Corporate are deferred tax assets for each operating segment that are not held directly accountable for deferred income taxes and Asbestos-related assets.
2. The amounts disclosed for North America are substantially all related to the USA.
3. Included are all other countries that account for less than 5% of net sales and total identifiable assets individually, primarily in the Philippines, Switzerland and other European countries.

Research and development expenditures are expensed as incurred and are summarized by segment in the following table. Research and development segment operating income also includes *Selling, general and administrative expenses* of US\$2.9 million, US\$3.0 million and US\$2.3 million in fiscal years 2021, 2020 and 2019, respectively.

| (Millions of US dollars) | Years Ended 31 March | | | | | |
|----------------------------|----------------------|------|------|------|------|------|
| | 2021 | | 2020 | | 2019 | |
| North America Fiber Cement | \$ | 5.6 | \$ | 5.3 | \$ | 6.5 |
| Asia Pacific Fiber Cement | | 1.1 | | 1.8 | | 2.1 |
| Europe Building Products | | 1.6 | | 1.7 | | 2.6 |
| Research and Development | | 26.0 | | 24.0 | | 26.7 |
| | \$ | 34.3 | \$ | 32.8 | \$ | 37.9 |

The following represents the Asset impairments by segment for the fiscal year ended 31 March 2020:

| (Millions of US dollars) | North America Fiber Cement | | Asia Pacific Fiber Cement | | Europe Building Products | | General Corporate | | Total |
|--|----------------------------|------|---------------------------|------|--------------------------|-----|-------------------|-----|---------|
| Property, plant and equipment ¹ | \$ | 41.2 | \$ | 15.0 | \$ | 5.5 | \$ | — | \$ 61.7 |
| Right-of-use assets ² | | — | | 11.2 | | — | | — | 11.2 |
| Intangible assets | | — | | — | | — | | 1.4 | 1.4 |
| Inventories ³ | | — | | 2.9 | | — | | — | 2.9 |
| Goodwill | | — | | 0.2 | | — | | — | 0.2 |
| Asset Retirement Obligations ⁴ | | — | | 5.8 | | — | | — | 5.8 |
| Other | | — | | 1.2 | | — | | — | 1.2 |
| | \$ | 41.2 | \$ | 36.3 | \$ | 5.5 | \$ | 1.4 | \$ 84.4 |

¹ Excludes US\$2.8 million of impairment charges in North America Fiber Cement segment on individual assets that were included in *Cost of goods sold*. Refer to Note 7 for further details.

² Relates to the closure of the Penrose, New Zealand plant

³ The US\$2.9 million charge primarily relates to the estimated costs associated with pallets and raw materials, with the closing of the New Zealand plant and exit of James Hardie Systems.

⁴ The total Asset Retirement Obligation balance at 31 March 2020 of US\$9.0 million is recorded in the Asia Pacific Fiber Cement segment in *Other liabilities - non-current* and relates to the New Zealand plant. This balance is inclusive of the impairment amount above.

Concentrations of Risk

The distribution channels for the Company's fiber cement products are concentrated. The Company has one customer who has contributed greater than 10% of net sales in each of the past three fiscal years. The following is net sales generated by this customer, which is from the North America Fiber Cement segment:

| (Millions of US dollars) | Years Ended 31 March | | | | | |
|--------------------------|----------------------|-------|--------|----|-------|--------|
| | 2021 | | 2020 | | 2019 | |
| Customer A | \$ | 347.3 | 12.0 % | \$ | 306.0 | 12.0 % |
| | | | | | \$ | 260.5 |
| | | | | | | 10.4 % |

Approximately 33%, 34% and 36% of the Company's net sales in fiscal year 2021, 2020 and 2019, respectively, were from outside the United States. Consequently, changes in the value of foreign currencies could significantly affect the consolidated financial position, results of operations and cash flows of the Company's non-US operations on translation into US dollars.

19. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is comprised of the following at 31 March 2021:

| (Millions of US dollars) | Cash Flow Hedges | | Pension Actuarial Gain | | Foreign Currency Translation Adjustments | | Total |
|---------------------------------|------------------|------------|------------------------|------------|--|--------------|-----------------|
| Balance at 31 March 2020 | \$ | 0.2 | \$ | 0.8 | \$ | (63.1) | \$ (62.1) |
| Other comprehensive (loss) gain | | — | | (0.4) | | 55.9 | 55.5 |
| Balance at 31 March 2021 | \$ | 0.2 | \$ | 0.4 | \$ | (7.2) | \$ (6.6) |

20. Employee Benefit Plan

In the United States, the Company sponsors a defined contribution plan, the James Hardie Retirement and Profit Sharing Plan (the "401(k) Plan") which is a tax-qualified retirement and savings plan covering all US employees, including the Senior Executive Officers, subject to certain eligibility requirements. In addition, the Company matches employee's contributions dollar for dollar up to a maximum of the first 6% of an employee's eligible compensation.

For the fiscal years ended 31 March 2021, 2020 and 2019, the Company made matching contributions of US\$11.1 million, US\$11.1 million and US\$10.6 million, respectively.

In January 2021, the Company established a deferred compensation plan for its executives whereby the plan assets are held in a rabbi trust. The deferred compensation is funded to the rabbi trust which holds investments directed by the participants and are accounted for as held for sale. The Company will match up to a maximum of the first 6% of an employee's eligible compensation that would not be eligible in the 401(k) Plan due to internal revenue service contribution limits so long as the participant defers eligible compensation to the deferred compensation plan. As of 31 March 2021, the assets held in trust and related deferred compensation liability recorded in the accompanying consolidated balance sheets are immaterial.

REMUNERATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(UNAUDITED, NOT FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS)

Fees billed for each of the last three fiscal years for professional services provided by our independent registered public accounting were as follows:

| Description of Service | US\$ Millions | | |
|---------------------------------|---------------|--------|--------|
| | FY21 | FY20 | FY19 |
| Audit fees ¹ | \$ 5.6 | \$ 5.7 | \$ 5.7 |
| Audit-related fees ² | — | — | — |
| Tax fees | — | — | — |
| All other fees | \$ — | \$ — | \$ — |

1 Audit Fees include the aggregate fees for professional services rendered by our independent registered public accounting firm. Professional services include the audit of our annual financial statements and services that are normally provided in connection with statutory and regulatory filings.

2 Audit-Related Fees include the aggregate fees billed for assurance and related services rendered by our independent registered public accounting firm. Our independent registered public accounting firm did not engage any temporary employees to conduct any portion of the audit of our consolidated financial statements for the fiscal years ended 31 March 2021, 2020 and 2019.

Audit Committee Pre-Approval Policies and Procedures

In accordance with our Audit Committee's policy and the requirements of the law, all services provided by our independent registered public accounting firm are pre-approved from time to time by the Audit Committee. Pre-approval includes a list of specific audit and non-audit services in the following categories: audit services, audit-related services, tax services and other services. Any additional services that we may ask our independent registered public accounting firm to perform will be set forth in a separate document requesting Audit Committee approval in advance of the service being performed.

All of the services pre-approved by the Audit Committee are permissible under the SEC's auditor independence rules. To avoid potential conflicts of interest, the law prohibits a publicly traded company from obtaining certain non-audit services from its independent registered public accounting firm. We obtain these services from other service providers as needed.

SECTION 3

RISK FACTORS

Our business, operations and financial condition are subject to various risks and uncertainties. We have described below significant factors that may adversely affect our business, operations, financial performance and condition or industry. Readers should be aware that the occurrence of any of the events described in these risk factors, elsewhere in or incorporated by reference into this Annual Report, and other events that we have not predicted or assessed, could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Business and Operational Risks

The outbreak of COVID-19 may adversely impact on our business, sales, results of operations and financial condition.

Our operations expose us to risks associated with pandemics and other public health emergencies, such as the continuing COVID-19 pandemic. In March 2020, the World Health Organization ("WHO") characterized the outbreak of COVID-19 as a global pandemic and recommended containment and mitigation measures. There have been extraordinary and wide-ranging actions taken by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions across the United States and the world, including quarantines, "stay-at-home" orders and similar mandates. Although some restrictions have eased in some jurisdictions, regions across the United States and the world continue to impose or are re-imposing closures and other restrictions.

We operate facilities around the world that are being affected by this pandemic. In the U.S., we are a company operating in a critical infrastructure industry and we continue to operate across our North America footprint. In Europe and Asia Pacific, governmental measures to slow and limit the spread of COVID-19 have previously resulted in the temporary closure of certain of our facilities, however, as of the date of this Annual Report, all of our facilities remain fully operational. Notwithstanding our level of continued operations, COVID-19 could negatively impact our future manufacturing operations, including additional facility closures, as well as adversely affect our supply chain and transportation networks. Our business is also dependent on the continued health and productivity of our employees throughout this crisis and we have incurred and will continue to incur additional costs to ensure we abide by all applicable health and safety regulations at each location that we operate.

In addition, COVID-19 may continue to adversely affect global economic activity. Our business may be negatively impacted if the disruptions related to COVID-19 decrease new home building and remodeling activity, precipitate a prolonged economic downturn and/or lead to an extended rise in unemployment, any of which could lower demand for our products. The inherent uncertainty surrounding COVID-19 makes it more challenging for our management to estimate the future performance of our business and the economic impact of the COVID-19 pandemic. Accordingly, future developments in the COVID-19 pandemic may materially impact our business and current estimates. The impact of COVID-19 could also have the effect of heightening certain of the other risks described in the "Risk Factors" section of this Annual Report. Individually and collectively, the consequences of the COVID-19 outbreak could have a material adverse effect on our business, sales, results of operations and financial condition.

Our business is dependent on the residential and commercial construction markets.

Demand for our products depends in large part on the residential construction markets and, to a lesser extent, on commercial construction markets. The level of activity in residential construction markets depends on residential remodeling projects and new housing starts, which are a function of many factors outside our control, including general economic conditions, the availability of financing, regulatory changes, mortgage and other interest rates, inflation, household income and wage growth, unemployment, the inventory of unsold homes, the level of foreclosures, home resale rates, housing affordability, demographic trends, gross domestic product growth and consumer confidence in each of the countries and regions in which we operate.

Any slowdown in the markets we serve would likely result in decreased demand for our products and cause us to experience decreased sales and operating income. In addition, deterioration or continued weaknesses in general economic conditions, such as higher interest rates, high levels of unemployment, restrictive lending practices, restricted covenants, heightened regulation and increased foreclosures, could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Substantial and increasing competition in the building products industry would likely materially adversely affect our business.

Competition in the building products industry is based largely on price, quality, performance and service. Our products compete with products manufactured from natural and engineered wood, vinyl, stucco, masonry, brick, gypsum and other materials, as well as fiber cement and fiber gypsum products offered by other manufacturers. Some of our competitors may have greater product diversity, greater financial and other resources, and better access to raw materials than we do and, among other factors, may be less affected by reductions in margins resulting from price competition.

Increased competition in any of the markets in which we compete would likely cause pricing pressures in those markets. Any of these factors would likely have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

We may experience unforeseen delays and/or cost overruns in our planned capital expenditures in future periods, and such delays and/or cost overruns could result in additional expenses and impairment charges. Unforeseen delays may also impact our ability to add additional manufacturing capacity at the appropriate time.

We have incurred significant levels of capital expenditures in the past and we expect to incur significant capital expenditures in future periods on facility upgrades and expansions, equipment to ensure regulatory compliance, the implementation of new technologies and to improve efficiency. We may incur unforeseen delays and/or cost overruns due to a variety of factors, including, but not limited to, a decline in general economic conditions, a downturn in the principal markets in which we operate, the entrance of a key competitor, increased costs resulting from tariffs or other international trade disputes or an adverse change in the regulatory environment impacting our business. Any one or combination of these or other factors could have a significant adverse effect on the nature, timing, extent and amount of our planned capital expenditures, and may also result in potential additional expenses and a write-down in the carrying value of our capital projects and other existing production assets. Such delays, cost overruns and asset impairment charges could have a material adverse effect on our financial position, results of operations and liquidity.

As a result of unforeseen delays, we may also fail to achieve the levels of additional manufacturing capacity we have forecasted for our plants, as described elsewhere in this Annual Report. We cannot

provide assurances that these additional manufacturing capacities will be achieved or that the related projects will be completed as anticipated or at all or that such additional capacities will operate at their expected utilization rate. These projections are based on our current estimates, but they involve risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from our estimates. Neither our independent auditors nor any other independent auditors have examined, compiled or performed any procedures with respect to these projections, nor have they expressed any opinion or any other form of assurance on such information or their achievability. Although management believes these estimates and the assumptions underlying them to be reasonable, they could be inaccurate, and investors should not place undue reliance upon them.

We may experience adverse fluctuations in the supply and cost of raw materials and energy supply necessary to our business, which could have a material adverse effect on our business.

Cellulose fiber (wood-based pulp), silica, cement and water are the principal raw materials used in the production of fiber cement, and the availability and cost of such raw materials are critical to our operations. Our fiber cement business periodically experiences fluctuations in the supply and costs of raw materials, and some of our supply markets are concentrated.

Gypsum, paper, water and cement are the principal raw materials used in the production of fiber gypsum, and the availability and cost of such raw materials are critical to our operations. Our fiber gypsum business periodically experiences fluctuations in the supply and costs of raw materials, and some of our supply markets are concentrated.

Price fluctuations or material delays may occur in the future due to lack of raw materials, suppliers, or supply chain disruptions. The loss or deterioration of our relationship with a major supplier, an increase in demand by third parties for a particular supplier's products or materials, delays in obtaining materials, or significant increases in fuel and energy costs could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Our reliance on third-party distribution channels could impact our business.

We offer our products directly and through a variety of third-party distributors and dealers. Changes in the financial or business condition of these distributors and dealers could subject us to losses and affect our ability to bring our products to market and could have a material adverse effect on our business, financial position, liquidity, results of operations and cash flows. Further, our ability to effectively manage inventory levels at distributor locations may be impaired under such arrangements, which could increase expenses associated with excess and obsolete inventory and negatively impact cash flows.

Severe weather, natural disasters and climate change could have an adverse effect on our overall business.

Our plants and other facilities are located in places that could be affected by natural disasters, such as hurricanes, typhoons, cyclones, earthquakes, floods, tornados and others. Natural disasters and widespread adverse climate changes that directly impact our plants or other facilities could materially adversely affect our manufacturing or other operations and, thereby, harm our overall financial position, liquidity, results of operations and cash flows.

In the manufacture of our products, we rely on a continuous and uninterrupted supply of electric power, water and, in some cases, natural gas, as well as the availability of water, waste and emissions discharge facilities. Any future shortages or discharge curtailments of a material nature could significantly disrupt our operations and increase our expenses. We currently do not have backup generators on our sites with the capability of maintaining all of a site's full operational power needs and we do not have alternate

sources of power in the event of a sustained blackout. While our insurance includes coverage for certain “business interruption” losses (i.e., lost profits) and for certain “service interruption” losses, such as an accident at our supplier’s facility, any losses in excess of the insurance policy’s coverage limits or any losses not covered by the terms of the insurance policy could have a material adverse effect on our financial condition. If blackouts interrupt our power supply, we would be temporarily unable to continue operations at the affected facilities. Any future material and sustained interruptions in our ability to continue operations at our facilities could damage our reputation, harm our ability to retain existing customers or obtain new customers and could result in lost revenue, any of which could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Financial Risks

Warranty claims relating to our products and exceeding our warranty reserves could have a material adverse effect on our business.

We have offered, and continue to offer, various warranties on our products, including offering a prorated 50-year limited warranty until 2009 after which time we offered a non-prorated 30-year limited warranty for certain of our fiber cement siding products in the United States. In total, as of 31 March 2021, we have accrued US\$39.6 million for such warranties within “Accrued product warranties” on our consolidated balance sheet and have disclosed the movements in our consolidated warranty reserves in Note 11 to our consolidated financial statements in Section 2. Although we maintain reserves for warranty-related claims and legal proceedings that we believe are adequate, we cannot assure you that warranty expense levels or the results of any warranty-related legal proceedings will not exceed our reserves. If our warranty reserves are significantly exceeded, the costs associated with such warranties could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Because we have significant operations outside the United States and report our earnings in US dollars, unfavorable fluctuations in currency values and exchange rates could have a material adverse effect on our business.

Because our reporting currency is the US dollar, our non-US operations face the additional risk of fluctuating currency values and exchange rates. Such operations may also face hard currency shortages and controls on currency exchange. Approximately 33%, 34% and 36% of our net sales in fiscal years 2021, 2020 and 2019, respectively, were from sales outside the United States. Consequently, changes in the value of foreign currencies (principally Australian dollars, New Zealand dollars, Philippine pesos, euros, UK pounds and Canadian dollars) could have a material adverse effect on our business, results of operations and financial condition. We evaluate and consider foreign exchange risk mitigation by entering into contracts that require payment in local currency, hedging transactional risk, where appropriate, and having non-US operations borrow in local currencies. We enter into such financial instruments from time to time to manage our foreign exchange risks. At 31 March 2021 we had foreign currency forward contracts with a notional value of US\$302.9 million related to the upcoming dividend payments and US\$153.2 million related to the upcoming AICF payments. There can be no assurance that we will be successful in these mitigation strategies, or that fluctuation in foreign currencies and other foreign exchange risks will not have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Our business is subject to customer concentration risk and the loss of any major customer could materially adversely affect our businesses.

We have one customer who contributed greater than 10% of our net sales in each of the past three fiscal years. We generally do not have long-term contracts with our large customers. Accordingly, if we were to lose one or more of our large customers because our competitors were able to offer customers more

favorable pricing terms or for any other reason, we may not be able to replace customers in a timely manner or on reasonable terms. The loss of one or more of our large customers could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Legal and Regulatory Risks

Our ability to sell our products in certain markets is influenced by building codes and ordinances in effect in the related localities and states and may limit our ability to compete effectively in certain markets and our ability to increase or maintain our current market share for our products.

Most countries, states and localities in the markets in which we sell our products maintain building codes and ordinances that determine the requisite qualities of materials that may be used to construct homes and buildings for which our products are intended. Our products may not qualify under building codes and ordinances in certain markets, prohibiting our customers from using our products in those markets. This may limit our ability to sell our products in certain markets. In addition, ordinances and codes may change over time and any such changes may, from the time they are implemented, prospectively limit or prevent the use of our products in those markets, causing us to lose market share for our products. Although we keep up to date on the current and proposed building codes and ordinances of the markets in which we sell or plan to sell our products and, when appropriate, seek to become involved in the ordinance and code setting process, our efforts may be ineffective, which could have a material adverse effect on our financial condition, liquidity, results of operations and cash flows.

Losses and expenses relating to ongoing New Zealand product liability litigation could have a material adverse effect on our business.

Since 2015, our New Zealand subsidiaries (as well as certain other members of the James Hardie Group) have been and continue to be involved in a number of construction defect and/or product liability claims in New Zealand that relate to weathertightness claims in residential buildings (single and multi-family dwellings) and a number of non-residential buildings, primarily constructed from 1998 to 2004. The claims allege generic defects in certain fiber cement products and systems supplied by our New Zealand subsidiaries and breach of duties including the failure to conduct appropriate testing of these products and systems, failure to warn and misleading and deceptive conduct in relation to the marketing and sale of the products and systems.

We recognize a liability for both asserted and unasserted New Zealand weathertightness claims in the period in which a loss becomes probable and estimable. The amount of a reasonably probable loss is dependent on a number of factors including, without limitation, the specific facts and circumstances unique to each claim (for which we could be subject to joint and several liability), the availability of claimant compensation under a government compensation scheme, the extent of any contributory negligence on the part of the claimants and the extent to which we have access to third-party recoveries to cover a portion of the costs incurred in defending and resolving such actions.

The provision for New Zealand weathertightness claims and any estimated loss incorporates assumptions that are subject to the foregoing uncertainties and are principally derived from, but not exclusively based on, historical claims experience. If our assessment of probable and estimable liability with respect to current asserted claims changes and/or actual liability varies from our estimates, then the actual amount of losses incurred may be materially higher or lower than the Company's estimates. Accordingly, losses incurred in connection with defending and resolving asserted and unasserted New Zealand product liability claims in the future could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

In addition, the actual or alleged existence of defects in any of our products could subject us to significant product liability or recall claims, including potential putative class or representative action claims. Although we do not have insurance coverage for damage to, or defects in, our products, we do have (for some time periods) product liability insurance coverage for bodily injury or property damage which may arise from the use of our products. Although we believe this coverage (where available) is generally adequate and we intend to maintain this coverage in the future, we cannot assure you that this coverage remains or will be sufficient to cover all future product liability claims based on the date of loss or that this coverage will be available at reasonable rates in the future. In some jurisdictions, we are subject to joint and several liability. The successful assertion of one or more claims against us, or a co-defendant, that exceed our insurance coverage could require us to incur significant expenses to pay these damages. These additional expenses could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

For additional information, see Notes 1 and 14 to our consolidated financial statements in Section 2 and Legal Proceedings in Section 3.

We may incur significant costs, including capital expenditures, in complying with applicable environmental and health and safety laws and regulations.

In each jurisdiction in which we operate, we are subject to environmental, health and safety laws and regulations governing our operations, including, among other matters: (i) the air, soil, and water quality of our plants; and (ii) the use, handling, storage, disposal and remediation of certain regulated materials currently or formerly used by us or any of our affiliates. Under these laws and regulations, we may be held jointly and severally responsible for the remediation of certain regulated materials at our or our predecessors' past or present facilities and at third-party waste disposal sites. We may also be held liable for any claims, penalties or fines arising out of human exposure to certain regulated materials or other environmental damage, including damage to natural resources, and our failure to comply with air, water, waste, and other environmental regulations.

In particular, many of our products contain crystalline silica, which can be released in a respirable form in connection with the manufacturing of our fiber cement products or while cutting our fiber cement products during installation or demolition. The inhalation of respirable crystalline silica at high and prolonged exposure levels is identified as a carcinogen by certain governmental entities and is associated with certain lung diseases, including silicosis, which has been the subject of extensive tort litigation.

Many jurisdictions where we operate, including the United States, Australia and New Zealand, have recently adopted regulations that significantly reduce the occupational exposure limit to respirable crystalline silica, as well as imposing additional training, exposure monitoring and recordkeeping requirements. It is possible that these regulations could have an impact on our business as a result of increased compliance efforts and associated costs, if any, for our manufacturing operations, as well as those of our business partners (e.g., suppliers, home builders, distributors, installers, etc.); and, as such, the rule change may possibly have a material adverse effect on our financial position, liquidity, results of operations, and cash flows.

The costs of complying with environmental and health and safety laws relating to our operations or the liabilities arising from past or future releases of, or exposure to, certain regulated materials, greenhouse gases, or product liability matters, or our failure to comply with air, water, waste, and other then-existing environmental regulations may result in us making future expenditures that could have a material adverse effect on our financial position, liquidity, results of operations and cash flows. Such regulations and laws may increase the cost to procure energy or other products necessary to our operation, thereby increasing our operating costs. In addition, we cannot make any assurances that the laws currently in place that directly or indirectly relate to environmental liability will not change. If, for example, applicable laws or

judicial interpretations related to successor liability or “piercing the corporate veil” were to change, such changes could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Because our intellectual property and other proprietary information may become publicly available, we are subject to the risk that competitors could copy our products or processes.

Our success depends, in part, on the proprietary nature of our technology, including non-patentable intellectual property, such as our process technology. To the extent that a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain adequate legal or equitable relief. Also, the laws of some foreign countries may not protect our intellectual property to the same extent as do the laws of the United States. In addition to patent protection of intellectual property rights, we consider elements of our product designs and processes to be proprietary and confidential and/or trade secrets. To safeguard our confidential information, we rely on employee, consultant and vendor nondisclosure agreements and contractual provisions and a system of internal and technical safeguards to protect our proprietary information. However, any of our registered or unregistered intellectual property rights may be subject to challenge or possibly exploited by others in the industry, which could materially adversely affect our financial position, liquidity, results of operations, cash flows and competitive position.

Cybersecurity risks related to the technology used in our operations, as well as security breaches of company, customer, employee, or vendor information, could result in a major disruption or failure of our information technology systems, which could adversely affect our business and operations.

We rely on information systems to run most aspects of our business, including manufacturing, sales and distribution, raw material procurement, accounting and managing data and records for employees and other parties. Despite the significant investments we have made to maintain our information systems and careful security and controls design, implementation, updating, and internal and independent third-party assessments, our systems and facilities, as well as those of third parties with which we do business, may be vulnerable to security breaches, cyber-attacks, employee theft or misconduct, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Network, system, and data breaches could result in misappropriation of sensitive data or operational disruptions, including interruption to systems availability and denial of access to and misuse of applications required by our customers to conduct business with us. In addition, misuse of internal applications, theft of intellectual property, trade secrets, or other corporate assets, and inappropriate disclosure of confidential information could stem from such incidents. Theft of personal or other confidential data and sensitive proprietary information could also occur as a result of a breach in cybersecurity, exposing us to costs and liabilities associated with privacy and data security laws in the jurisdictions in which we operate. Furthermore, we face additional cybersecurity risks related to some of our employees continuing to work remotely as a result of the COVID-19 pandemic.

Although we strive to have appropriate security controls in place, prevention of security breaches cannot be assured. Any security breach involving the misappropriation, loss or other unauthorized disclosure of our confidential information, whether by us or by third parties with which we do business, could result in losses, damage to our reputation, risk of litigation, disrupt our operations and have a material adverse effect on our business, results of operations and financial condition. We may be required to expend additional resources to continue to enhance our security measures or to investigate and remediate any security vulnerabilities.

Privacy and data security concerns and regulation could result in additional costs and liabilities.

As a global organization, we are subject to various regulations regarding privacy, data protection and data security, including those set forth in the European Union's General Data Protection Regulation ("GDPR") and the California Consumer Privacy Act ("CCPA"). The GDPR became effective in May 2018 and provides substantial regulation for the handling, processing and transfer of personal data and imposes substantial penalties for non-compliance. The CCPA, which took effect on 1 January 2020, gives California consumers certain rights similar to those provided by the GDPR.

Regulations and initiatives such as the GDPR and CCPA place limitations on how companies can use customer data and impose obligations on companies in their management of such data, which ultimately increases compliance complexity and related costs. Our efforts to comply with GDPR, the CCPA and other privacy and data protection laws may impose significant costs and challenges that are likely to increase over time, and we could incur costs, penalties or litigation related to violation of existing or future data privacy laws and regulations.

Asbestos-Related Risks

Our wholly-owned Australian Performing Subsidiary is required to make payments to a special purpose fund that provides compensation for Australian asbestos-related personal injury and death claims for which certain Former James Hardie Companies are found liable. These payments may affect our ability to grow the Company.

On 21 November 2006, JHI plc, AICF, the NSW Government and the Performing Subsidiary entered into the AFFA to provide long-term funding to AICF, a special purpose fund that provides compensation for Australian asbestos-related personal injury and death claims for which the Former James Hardie Companies are found liable.

We have recorded a gross asbestos liability of US\$1,135.8 million in our consolidated financial statements as of 31 March 2021, based on the AFFA governing our anticipated future payments to AICF. The net unfunded AFFA liability, net of tax, was US\$554.1 million at 31 March 2021. The initial funding was made to AICF in February 2007 and annual or quarterly payments are to be made each year, subject to the terms of the AFFA. The amounts of these annual payments are dependent on several factors, including our free cash flow (as defined in the AFFA), actuarial estimations, actual claims paid, operating expenses of AICF and the Annual Cash Flow Cap set forth in the AFFA. From the time AICF was established in February 2007 through the date of this Annual Report, we have contributed A\$1,571.0 million to the fund. Our obligation to make future payments to AICF continues to be linked under the terms of the AFFA to our long-term financial success, especially our ability to generate net operating cash flow.

As a result of our obligation to make payments under the AFFA, our funds available for capital expenditures (either with respect to our existing business or new business opportunities), repayments of debt, payments of dividends or other distributions have been, and will be, reduced by the amounts paid to AICF, and consequently, our financial position, liquidity and cash flows have been, and will be, reduced or materially adversely affected. Our obligation to make these payments could also affect or restrict our ability to access equity or debt capital markets.

Potential escalation in proven claims made against, and associated costs of AICF could require an extension of the period of time that the Company is obliged to make annual funding payments of up to 35% of its free cash flow, as defined in the AFFA, beyond the currently anticipated expiration date of that obligation, which may cause us to have to increase our asbestos liability in the future.

The amount of our asbestos liability is based, in part, on actuarially determined, anticipated (estimated) future annual funding payments to be made to AICF on an undiscounted and uninflated basis. Future annual payments to AICF are based on updated actuarial assessments that are to be performed as of 31 March of each year to determine expected asbestos-related personal injury and death claims to be funded under the AFFA for the financial year in which the payment is made and the next two financial years. Estimates of actuarial liabilities are based on many assumptions, which may not prove to be correct, and which are subject to considerable uncertainty, since the ultimate number and cost of claims are subject to the outcome of events that have not yet occurred, including social, legal and medical developments, as well as future economic conditions.

If future proven claims are more numerous, the liabilities arising from them are larger than that currently estimated by AICF's actuary, KPMGA, or if AICF investments decline in value, it is possible that pursuant to the terms of the AFFA, we will be required to pay to AICF our current annual funding payments of up to 35% of our free cash flow, as defined in the AFFA and on which our asbestos liability is based, for an extended period of time. If this occurs, we may be required to increase our asbestos liability, which would be reflected as a charge in our consolidated statements of operations and comprehensive income at that date. Any such changes to actuarial estimates which require us to increase our asbestos liability could have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Even though the AFFA has been implemented, we may be subject to potential additional liabilities (including claims for compensation or property remediation outside the arrangements reflected in the AFFA), because certain current and former companies of the James Hardie Group previously manufactured products that contained asbestos.

Prior to 1987, ABN 60, which is now owned and controlled by AICF, manufactured products in Australia that contained asbestos. In addition, prior to 1987, two former subsidiaries of ABN 60, Amaca and Amaba, which are now also owned and controlled by AICF, manufactured products in Australia that contained asbestos. ABN 60 also held shares in companies that manufactured asbestos-containing products in Indonesia and Malaysia, and held minority shareholdings in companies that conducted asbestos-mining operations based in Canada and Southern Africa. Former ABN 60 subsidiaries also exported asbestos-containing products to various countries. AICF is designed to provide compensation only for certain claims and to meet certain related expenses and liabilities, and legislation in New South Wales, Australia in connection with the AFFA seeks to defer all other claims against the Former James Hardie Companies. The funds contributed to AICF will not be available to meet any asbestos-related claims made outside Australia, or claims made arising from exposure to asbestos occurring outside Australia, or any claim for pure property loss or pure economic loss or remediation of property. In these circumstances, it is possible that persons with such excluded claims may seek to pursue those claims directly against us. Defending any such litigation could be costly and time consuming, and consequently, our financial position, liquidity, results of operations and cash flows could be materially adversely affected.

Prior to 1988, a New Zealand subsidiary in the James Hardie Group manufactured products in New Zealand that contained asbestos. In New Zealand, the majority of asbestos-related disease compensation claims are managed by the state-run Accident Compensation Corporation ("ACC"). Our New Zealand subsidiary that manufactured products that contained asbestos contributed financially to the ACC fund as required by law via payment of an annual levy while it carried on business. All decisions relating to the amount and allocation of payments to such claimants in New Zealand are made by the ACC in accordance with New Zealand law. The Injury Prevention, Rehabilitation and Compensation Act 2001 (NZ) bars compensatory damages for claims that are covered by the legislation which may be made against the ACC fund. However, we may be subject to potential liability if any of these claims are found not to be covered by the legislation and are later brought against us, and consequently, our financial position, liquidity, results of operations and cash flows could be materially adversely affected.

Because our revenues are primarily from sales in US dollars and the actuarially assessed asbestos liability is denominated in Australian dollars and payments pursuant to the AFFA are made in Australian dollars, we may experience unpredictable volatility in our reported results due to changes in the US dollar (and other currencies from which we derive our sales) compared to the Australian dollar.

Payments pursuant to the AFFA are required to be made to AICF in Australian dollars. In addition, annual payments to AICF include calculations based on various estimates that are denominated in Australian dollars. To the extent that our future obligations exceed Australian dollar cash flows from our Australian operations and we do not hedge this foreign exchange exposure, we will need to convert US dollars or other foreign currency into Australian dollars in order to meet our obligations pursuant to the AFFA.

In addition, because our results of operations are reported in US dollars and the asbestos liability is based on estimated payments denominated in Australian dollars, fluctuations in the AUD/USD exchange rate will cause unpredictable volatility in our reported results. For example, during fiscal years 2021, 2020 and 2019, we recorded an unfavorable adjustment of US\$123.0 million, a favorable adjustment of US\$69.0 million, a favorable adjustment of US\$49.5 million, respectively, due to fluctuations in the US dollar compared to the Australian dollar.

The AFFA imposes certain non-monetary obligations.

Under the AFFA, we are also subject to certain non-monetary obligations that could prove onerous or otherwise materially adversely affect our ability to undertake proposed transactions or pay dividends. For example, the AFFA contains certain restrictions that generally prohibit us from undertaking transactions that would have a material adverse effect on the relative priority of AICF as a creditor, or that would materially impair our legal or financial capacity and that of the Performing Subsidiary, in each case such that we and the Performing Subsidiary would cease to be likely to be able to meet the funding obligations that would have arisen under the AFFA had the relevant transaction not occurred. Those restrictions apply to dividends and other distributions, reorganizations of, or dealings in, share capital which create or vest rights in such capital in third parties, and non-arm's length transactions. While the AFFA contains certain exemptions from such restrictions (including, for example, exemptions for arm's-length dealings; transactions in the ordinary course of business; certain issuances of equity securities or bonds; and certain transactions provided certain financial ratios are met and certain amounts of dividends), implementing such restrictions could materially adversely affect our ability to enter into transactions that might otherwise be favorable to us and could materially adversely affect our financial position, liquidity, results of operations and cash flows.

The AFFA does not eliminate the risk of adverse action being taken against us.

There is a possibility that, despite certain covenants agreed to by the NSW Government in the AFFA, adverse action could be directed against us by one or more of the NSW Government, the government of the Commonwealth of Australia, governments of the other states or territories of Australia or any other governments, unions or union representative groups, or asbestos disease groups, with respect to the asbestos liabilities of the Former James Hardie Companies or other current and former companies of the James Hardie Group. Any such adverse action could materially adversely affect our financial position, liquidity, results of operations and cash flows.

The complexity and long-term nature of the AFFA and related legislation and agreements may result in litigation as to their interpretation.

Certain legislation, the AFFA and related agreements, which govern the implementation and performance of the AFFA, are complex and have been negotiated over the course of extended periods between various parties. There is a risk that, over the term of the AFFA, as has already occurred, some or all parties may become involved in disputes as to the interpretation of such legislation, the AFFA or related agreements or the terms of the AFFA may change. We cannot guarantee that no party will commence litigation seeking remedies with respect to such a dispute, nor can we guarantee that a court will not order other remedies not previously anticipated which may materially adversely affect us.

There is no certainty that the AICF Loan Facility will remain in place for its entire term.

Drawings under the AICF Loan Facility are subject to satisfaction of certain specified conditions precedent and the NSW Government (as lender) has the right to cancel the AICF Loan Facility, require repayment of money advanced and enforce security granted to support the loan in the various circumstances prescribed in the facility agreement and related security documentation. There are also certain positive covenants given by, and restrictions on the activities of, AICF and the Former James Hardie Companies which apply during the term of the loan. A breach of any of these covenants or restrictions may also lead to cancellation of the AICF Loan Facility, early repayment of the loan and/or enforcement of the security. As such, there can be no certainty that the facility will remain in place for its intended term.

If the AICF Loan Facility does not remain in place for its intended term, AICF may experience a short-term funding shortfall. A short-term funding shortfall for AICF could subject us to negative publicity. Such negative publicity could materially adversely affect our financial position, liquidity, results of operations and cash flows, as well as employee morale and the market prices of our publicly traded securities.

We may have insufficient Australian taxable income to utilize tax deductions.

We may not have sufficient Australian taxable income to utilize the tax deductions resulting from the funding payments under the AFFA to AICF. Further, if as a result of making such funding payments we incur tax losses, we may not be able to fully utilize such tax losses in future years of income. Any inability to utilize such deductions or losses could materially adversely affect our financial position, liquidity, results of operations and cash flows.

Certain AFFA tax conditions may not be satisfied.

Despite Australian Taxation Office (“ATO”) rulings for the expected life of the AFFA, it is possible that new (and adverse) tax legislation could be enacted in the future. It is also possible that the facts and circumstances relevant to operation of the ATO rulings could change over the life of the AFFA. We may elect to terminate the AFFA if certain tax conditions are not satisfied for more than 12 months. However, we do not have a right to terminate the AFFA if, among other things, the tax conditions are not satisfied as a result of the actions of a member of the James Hardie Group.

Under certain circumstances, we may still have an obligation to make annual funding payments on an adjusted basis if the tax conditions remain unsatisfied for more than 12 months. If the tax conditions are not satisfied in a manner which does not permit us to terminate the AFFA, our financial position, liquidity, results of operations and cash flows may be materially adversely affected. The extent of this adverse effect will be determined by the nature of the tax condition which is not satisfied.

Risks Related to Ireland

Irish law contains provisions that could delay or prevent a change of control that may otherwise be beneficial to you.

Irish law contains several provisions that could have the effect of delaying or preventing a change of control of our ownership. The Irish Takeover Rules would generally (subject to certain very limited exceptions) require a mandatory cash offer to be made for our entire issued share capital if, because of an acquisition of a relevant interest (including interests held in the form of shares of our common stock, CUFS or ADSs) in such shares, the voting rights of the shares in which a person (including persons acting in concert with that person) holds relevant interests increase: (i) from below 30% to 30% or more; or (ii) from a starting point that is above 30% and below 50%, by more than 0.05% in a 12-month period. However, this prohibition is subject to exceptions, including acquisitions that result from acceptances under a mandatory takeover bid made in compliance with the Irish Takeover Rules. Although the Irish Takeover Rules may help to ensure that no person acquires voting control of us without making an offer to all shareholders, they may also have the effect of delaying or preventing a change of control that may otherwise be beneficial to you. In addition to the operation of the Irish Takeover Rules, we may, from time to time, put in place appropriate retention arrangements to ensure that we retain our key employees during periods of corporate change.

Our ability to pay dividends and conduct share buy-backs is dependent on Irish law and may be limited in the future if we are not able to maintain sufficient levels of distributable profits.

Under Irish law, in order to pay dividends and/or conduct a buy-back of shares, an Irish company requires sufficient distributable profits which are determined under the Irish Companies Act 2014 and applicable accounting practices generally accepted in Ireland. We believe that our current corporate structure has allowed us to maintain sufficient levels of distributable profits to continue paying dividends in accordance with our publicly disclosed dividend policy, which is updated from time to time, and to conduct share buy-backs. However, transactions or events could cause a reduction in our distributable profits, resulting in our inability to pay dividends on our securities or to conduct share buy-backs, which could have a material adverse effect on the market value of our securities.

Risks Related to Taxation

We are subject to risks related to taxation in multiple jurisdictions.

We operate in multiple jurisdictions and pay tax on our income according to the tax laws of these jurisdictions. Various factors, some of which are beyond our control, determine our effective tax rate. The primary drivers of our effective tax rate are the tax rates of the jurisdictions in which we operate, the level and geographic mix of pre-tax earnings, intra-group royalties, interest rates and the level of debt which gives rise to interest expense on external debt and intra-group debt, and the value of adjustments for timing differences and permanent differences, including the non-deductibility of certain expenses, all of which are subject to change and which could result in a material increase in our effective tax rate. Such changes to our effective tax rate could materially adversely affect our financial position, liquidity, results of operations and cash flows.

Tax laws are dynamic and subject to change as new or revised laws and treaties are passed and new interpretations are issued or applied. Due to the nature of our historic and current operations, we are exposed to potential tax risks in a number of jurisdictions, including, without limitation, Ireland, the United States, Australia, New Zealand, the Netherlands and various parts of Europe. For example, many countries, including Ireland and the Netherlands, have made or are actively considering making changes to existing tax laws and treaties, which could alter or increase our tax obligations, could materially affect

our business, financial condition or results of operations and could potentially have a material adverse impact on holders of our securities.

Exposure to additional tax liabilities due to audits and reviews could materially adversely affect our business.

Due to our size and the nature of our business, we are subject to ongoing reviews and audits by authorities in taxing jurisdictions on various tax matters, including challenges to various positions we assert on our income tax and withholding tax returns. We accrue for tax contingencies based upon our best estimate of the taxes ultimately expected to be paid, which we update over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate.

We record additional tax expense in the period in which we determine that the recorded tax liability is less than the ultimate assessment we expect. The amounts ultimately paid on resolution of reviews by taxing jurisdictions could be materially different from the amounts included in taxes payable or other non-current liabilities and result in additional tax expense which could materially adversely affect our financial position, liquidity, results of operations and cash flows.

Tax benefits are available under the US-Ireland Income Tax Treaty to US and Irish taxpayers that qualify for those benefits. Our eligibility for benefits under the US-Ireland Income Tax Treaty is determined on an annual basis and we could be audited by the Internal Revenue Service ("IRS") for this issue. If during a subsequent tax audit or related process, the IRS determines that we are not eligible for benefits under the US-Ireland Income Tax Treaty, we may not qualify for treaty benefits. As a result, our effective tax rate could significantly increase and we could be subject to a 30% US withholding tax rate on payments of interest and dividends from our US subsidiaries to our Irish resident subsidiaries.

We believe that interest and dividends paid by our US subsidiaries to our Irish resident subsidiaries qualify for treaty benefits in the form of reduced withholding tax under the US-Ireland Income Tax Treaty.

We believe that, under the limitation on benefits ("LOB") provision of the US-Ireland Treaty, no US withholding tax applies to interest that our US subsidiaries paid to our Irish resident subsidiaries. The LOB provision has various conditions of eligibility for reduced US withholding tax rates and other treaty benefits, all of which we believe are satisfied. If, however, we do not qualify for benefits under the US-Ireland Income Tax Treaty, those interest payments would be subject to a 30% US withholding tax.

We believe that, under the US-Ireland Income Tax Treaty, a 5% US withholding tax applies to dividends paid by our US subsidiaries to our Irish resident subsidiaries. The LOB provision of the US-Ireland Income Tax Treaty has various conditions of eligibility for reduced US withholding tax rates and other treaty benefits, all of which we believe we have satisfied. If, however, we do not qualify for benefits under the US-Ireland Treaty, dividend payments by our US subsidiaries would be subject to a 30% US withholding rate.

Our eligibility for benefits under the US-Ireland Tax Treaty is determined on an annual basis and we could be audited by the IRS for this issue. If during a subsequent tax audit or related process, the IRS determines that we are not eligible for benefits under the US-Ireland Income Tax Treaty, we may not qualify for treaty benefits. As a result, our effective tax rate could significantly increase beginning in the fiscal year that such determination is made and we could be liable for taxes owing for calendar year 2017 and subsequent periods, which could adversely affect our financial position, liquidity, results of operations and cash flows.

LEGAL PROCEEDINGS

The Company is involved from time to time in various legal proceedings and administrative actions related to the normal conduct of its business, including general liability claims, putative class and representative action lawsuits and mass plaintiff litigation concerning our products and services. Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, except as they relate to asbestos, tax contingencies, New Zealand weathertightness claims and the matters described in the sections below. For further details, see "Section 3 – Risk Factors" of this Annual Report.

Tax Contingencies

Due to our size and the nature of our business, we are subject to ongoing reviews by taxing jurisdictions on various tax matters. We accrue for tax contingencies based upon our best estimate of the taxes ultimately expected to be paid, which we update over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We record additional tax expense in the period in which we determine that the recorded tax liability is less than the ultimate assessment we expect.

We file income tax returns in various jurisdictions, including Ireland, the United States, Germany, the Netherlands, Spain, Australia, New Zealand and the Philippines.

New Zealand Weathertightness Claims

Since fiscal year 2002, the Company's New Zealand subsidiaries have been joined in a number of weathertightness claims in New Zealand that relate to residential buildings (single dwellings and apartment complexes) and a small number of non-residential buildings, primarily constructed from 1998 to 2004. The claims often involve multiple parties and allege that losses were incurred due to excessive moisture penetration of the buildings' structures. The claims typically include allegations of poor building design, inadequate certification of plans, inadequate construction review and compliance certification and deficient work by sub-contractors.

Historically, the Company's New Zealand subsidiaries have been joined to these claims as one of several co-defendants, including local government entities responsible for enforcing building codes and practices, resulting in the Company's New Zealand subsidiaries becoming liable for only a portion of each claim. In addition, the Company's New Zealand subsidiaries have had access to third-party recoveries to defray a portion of the costs incurred in resolving such claims.

In 2015, the Company and/or its subsidiaries were named as the sole defendants in four claims on behalf of multiple defendants, three of which are still pending and each of which allege that the New Zealand subsidiaries' products were inherently defective. The Company believes it has substantial factual and legal defenses to these claims and is defending the claims vigorously.

Cridge, et al. (Case Nos. CIV-2015-485-594 and CIV-2015-485-773), In the High Court of New Zealand, Wellington Registry (hereinafter the "Cridge litigation"). In August 2020, trial of phase one of the Cridge litigation commenced in Wellington, New Zealand solely to determine whether the Company's New Zealand subsidiaries had a duty to the plaintiffs and breached that duty. This phase of the trial concluded in December 2020, and a decision by the Wellington High Court is expected to be announced late in the first quarter of FY 2022. We believe we have substantial factual and legal defenses to the claims in the

Cridge litigation. While an unfavorable outcome in this phase is possible as litigation is inherently unpredictable, management does not believe that the outcome of this phase of the litigation will have a material adverse effect on the Company's financial position. As of 31 March 2021, the Company has not recorded a reserve related to the Cridge litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated. If an adverse decision is reached by the Wellington High Court, certain factors anticipated to be included in the decision may allow the Company to estimate a reasonable range of liability in the Cridge litigation.

White, et al. (Case No. CIV-2015-404-2981 [2021] NZHC 930), In the High Court of New Zealand, Auckland Registry (hereinafter the "White litigation"). The trial of phase one of the White litigation is scheduled to commence on 17 May 2021 in Auckland, New Zealand solely to determine whether the Company's New Zealand subsidiaries, along with three non-New Zealand Group entities, had a duty to the plaintiffs and breached that duty. As of 31 March 2021, the Company has not recorded a reserve related to the White litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

Waitakere, et al. (Case No. CIV-2015-404-3080), In the High Court of New Zealand, Auckland Registry (hereinafter the "Waitakere litigation"). The trial in the Waitakere litigation is currently not scheduled to begin until May 2023 in Auckland, New Zealand. As of 31 March 2021, the Company has not recorded a reserve related to the Waitakere litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

A court's decision in one or more of the litigation matters has the potential to impact the accounting treatment regarding the probability of a potential loss and the Company's ability to reasonably estimate a reserve with regards to the other litigation matters discussed above. Furthermore, an adverse judgement in one or more of these litigation matters could have a material adverse impact on our consolidated financial position, results of operations or cash flows.

For further information, see Note 14 to our consolidated financial statements in Section 2.

Environmental

Our operations, like those of other companies engaged in similar businesses, are subject to a number of laws and regulations on air, soil and water quality, waste handling and disposal. Our policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists, and the amount can be reasonably estimated.

CONTROLS AND PROCEDURES

Management's Annual Report on Internal Control Over Financial Reporting

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and are subject to certain limitations, including the exercise of judgment by individuals, the difficulty in identifying unlikely future events, and the difficulty in eliminating misconduct completely. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, our disclosure controls and procedures were effective at a reasonable assurance level as of 31 March 2021, to ensure the information required to be disclosed in the reports that we file or submit under the Exchange Act were recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We assessed the effectiveness of our internal control over financial reporting as of 31 March 2020. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on our assessment using those criteria, we concluded that our internal control over financial reporting was effective as of 31 March 2021.

The effectiveness of our internal control over financial reporting as of 31 March 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of James Hardie Industries plc

Opinion on Internal Control Over Financial Reporting

We have audited James Hardie Industries plc's internal control over financial reporting as of 31 March 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, James Hardie Industries plc (the Company) maintained, in all material respects, effective internal control over financial reporting as of 31 March 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of 31 March 2021 and 2020, the related consolidated statements of operations and comprehensive income, changes in shareholders' equity (deficit) and cash flows for each of the three years in the period ended 31 March 2021, and the related notes and our report dated 18 May 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Irvine, California
18 May 2021

EMPLOYEES

During each of the last three fiscal years, we employed the following average number of people:

| | Fiscal Years Ended 31 March | | |
|--|-----------------------------|--------------|--------------|
| | 2021 | 2020 | 2019 |
| Fiber Cement United States and Canada | 2,662 | 2,563 | 2,592 |
| Europe Building Products ¹ | 937 | 972 | 994 |
| Fiber Cement Australia | 580 | 597 | 603 |
| Fiber Cement New Zealand ² | 116 | 180 | 186 |
| Fiber Cement Philippines | 348 | 340 | 304 |
| Other Businesses – United States | — | — | 19 |
| Research & Development, including Technology | 155 | 156 | 159 |
| General Corporate | 63 | 61 | 59 |
| Total Employees | 4,861 | 4,869 | 4,916 |

1 On 3 April 2018, we completed the Fermacell acquisition. As such, the total number of employees for the fiscal year ended 31 March 2019 for Europe Building Products represent the actual number of people employed for the fiscal year ended 31 March 2019 and not the average number of people employed.

2 In fiscal year 2021, based on our strategic decision to move to a regional model for the manufacture and supply of fiber cement products for the New Zealand market, we ceased all manufacturing of products in New Zealand and shifted manufacturing from New Zealand to Australia.

As of the end of 31 March 2021, of the 4,861 average number of people employed, approximately 680 employees have their employment conditions determined by collective agreements negotiated with labor unions (approximately 596 and 84 employees in Europe and Australia, respectively). Under European law, employees that are part of a collective agreement are not required to inform their employer if they are a member of a labor union. In Australia, it is a matter of individual choice whether an employee in a collective agreement is a member of a union. As such, it is possible that some of our employees covered by collective agreements in Europe and Australia may not be members of a union. In accordance with Australian law, we do not keep records of union membership. Our management believes that we have a satisfactory relationship with these unions and there are currently no ongoing labor disputes. We currently have no employees who are members of a union in the United States.

LISTING DETAILS

Trading Markets

As a company incorporated under the laws of Ireland, we have listed our securities for trading on the ASX, through the Clearing House Electronic Subregister System (“CHESS”), via CHESS Units of Foreign Securities (“CUFS”). CUFS are a form of depositary security that represent a beneficial ownership interest in the securities of a non-Australian corporation. Each of our CUFS represents the beneficial ownership of one share of common stock of JHI plc, the legal ownership of which is held by CHESS Depositary Nominees Pty Ltd (“CDN”). The CUFS are listed and traded on the ASX under the symbol “JHX.”

We have also listed our securities for trading on the NYSE. We sponsor an ADS program, whereby beneficial ownership of CUFS is represented by ADS. These ADSs trade on the NYSE in the form of ADRs, under the symbol “JHX.” Deutsche Bank Trust Company Americas (“Deutsche Bank”) has acted as the depository for our ADS program. Unless the context indicates otherwise, when we refer to ADSs,

we are referring to ADRs or ADSs and when we refer to our common stock we are referring to the shares of our common stock that are represented by CUFS.

We cannot predict the prices at which our shares and ADSs will trade or the volume of trading for such securities, nor can we assure you that these securities will continue to meet the applicable listing requirements of these exchanges.

Trading on the Australian Securities Exchange

The ASX is headquartered in Sydney, Australia, with branches located in each Australian state capital. Our CUFS trade on the ASX under the symbol "JHX." The ASX is a publicly listed company with trading being undertaken by brokers licensed under the Australian Corporations Act. Trading principally takes place between the hours of 10:00 a.m. and 4:00 p.m. Australian Eastern Standard Time on each weekday (excluding Australian public holidays). Settlement of trades in uncertificated securities listed on the ASX is generally effected electronically. This is undertaken through CHESS, which is the clearing and settlement system operated by the ASX.

Trading on the New York Stock Exchange

In the United States, our ADSs trade on the NYSE under the symbol "JHX." Trading principally takes place between the hours of 9:30 a.m. and 4:00 p.m. Eastern Time on each weekday (excluding US public holidays). All inquiries and correspondence regarding ADSs should be directed to Deutsche Bank, 60 Wall Street, New York, New York 10005, United States. To speak directly to a Deutsche Bank representative, please call 1-212-250-9100. You may also send an e-mail inquiry to adr@db.com or visit the Deutsche Bank website at <https://www.adr.db.com>.

Fees and Charges Payable by Holders of our ADSs

The following is a summary of the fee provisions of our deposit agreement with Deutsche Bank. For more complete information regarding our ADS program, investors are directed to read the entire amended deposit agreement, a copy of which has been filed as Exhibit 2.1 and 2.2 to this Annual Report.

| Service | Fees |
|---|---|
| Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property | Up to US\$0.05 per ADS issued |
| Cancellation of ADSs | Up to US\$0.05 per ADS issued |
| Distribution of cash dividends or other cash distributions | Up to US\$0.05 per ADS issued |
| Operational and maintenance costs | An annual fee of US \$0.05 per ADS held on the applicable record date established by the depositary |

Additionally, under the terms of our deposit agreement, Deutsche Bank is entitled to charge each registered holder the following:

- taxes and other governmental charges;
- registration fees as may from time to time be in effect for the registration of transfers of CUFS generally on the CHESS;
- expenses for cable, telex and fax transmissions and delivery services;
- expenses incurred for converting foreign currency into US dollars;
- fees and expenses incurred in connection with compliance with exchange control regulations and other regulatory requirements applicable to CUFS, deposited securities, ADSs and ADRs; and
- fees and expenses incurred in connection with the delivery or servicing of CUFS on deposit.

If any tax or other governmental charge becomes payable with respect to any security on deposit, such tax or other governmental charge is payable by the ADS holder to Deutsche Bank. Deutsche Bank may refuse to affect any transfer or withdrawal of a deposited security until such payment is made. Deutsche Bank may withhold any dividends or other distributions or may sell for the account of the ADS holder any part or all of the deposited securities, and may apply such dividends, other distributions, or proceeds of any such sale in payment of such tax or other governmental charge and the ADS holder will remain liable for any deficiency.

Generally, Deutsche Bank collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. Additionally, Deutsche Bank collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. Deutsche Bank may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system of accounts of participants acting for them. Deutsche Bank may generally refuse to provide fee-attracting services until its fees for those services are paid.

As part of its service as depositary, Deutsche Bank has agreed: (i) to arrange for the local custody of the underlying shares and absorb the costs of servicing the same; (ii) to make certain annual reimbursements to us based on a percentage of net revenues collected for ADS issuance and cancellation fees, net of custody costs, which we will use toward investor relations expenses and other expenses related to the maintenance of the ADS program (we received US\$35,458 in reimbursements of this type in fiscal year 2021); (iii) to waive the cost associated with administrative and reporting services under the ADS program, such costs being valued at US\$60,000 per year; and (iv) to waive the access charges to www.adr.db.com, such costs being valued at US\$10,000 per year.

CONSTITUTION

Our corporate domicile is in Ireland and our registered office is located at Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland. We are registered at the Companies Registration Office of the Department of Jobs, Enterprise and Innovation in Dublin, Ireland under number 485719. Copies of our Memorandum of Association and our Articles of Association are filed as Exhibits 1.1 and 1.2 to this Annual Report. A description of each class of securities registered under Section 12 of the Securities Exchange Act of 1934 is included in Exhibit 2.19 to this Annual Report and is incorporated herein by reference.

MATERIAL CONTRACTS

Other than the contracts that are described elsewhere in this Annual Report, including, without limitation, the AFFA and related agreements, our Revolving Credit Facility, the indentures governing our senior unsecured notes, the deposit agreement governing our ADS program, our executive compensation and equity incentive plans and certain material employment contracts described in “Section 1 – Remuneration Report” and any material contracts that have been entered into in the ordinary course of business, the Company does not have any material contracts otherwise requiring disclosure in this Annual Report.

EXCHANGE CONTROLS

The European Commission has imposed financial sanctions on a number of countries throughout the world that are suspected of being involved in activities such as terrorism or repression of its citizens. Ireland has given effect to these sanctions through the implementation of regulations and statutory instruments. We do not have any subsidiaries located in countries with imposed financial sanctions by the European Commission. In addition, we do not conduct business or other revenue-generating activities in these countries.

Except for restrictions contained in the regulations or statutory instruments referred to above, there are no legislative or other legal provisions currently in force in Ireland or arising under our Constitution restricting the import or export of capital, including the availability of cash and cash equivalents for use by JHI plc and its wholly owned subsidiaries, or remittances to our security holders not resident in Ireland. In addition, except for restrictions contained in the regulations or statutory instruments referred to above, cash dividends payable in US dollars on our common stock may be officially transferred from Ireland and converted into any other convertible currency.

There are no limitations, either by Irish law or in our Constitution, on the right of non-residents of Ireland to hold or vote our common stock.

TAXATION

The following summarizes the material US and Irish tax consequences of an investment in shares of our common stock. This summary does not address every aspect of taxation relevant to a particular investor subject to special treatment under any applicable law and is not intended to apply in all respects to all categories of investors. In addition, except for the matters discussed under “Irish Taxation”, this summary does not consider the effect of other foreign tax laws or any state, local or other tax laws that may apply to an investment in shares of our common stock. This summary assumes that we will conduct our business in the manner described in this Annual Report. Changes in our organizational structure or the manner in which we conduct our business may invalidate all or parts of this summary. The laws on which this summary is based could change, perhaps with retroactive effect, and any law changes could

invalidate all or parts of this summary. We will not update this summary for any law changes after the date of this Annual Report.

This discussion does not bind either the US or Irish tax authorities or the courts of those jurisdictions. Except where outlined below, we have not sought a ruling nor will we seek a ruling of the US or Irish tax authorities about matters in this summary. We cannot assure you that those tax authorities will concur with the views in this summary concerning the tax consequences of the purchase, ownership or disposition of our common stock or that any reviewing judicial body in the United States or Ireland would likewise concur.

Prospective investors should consult their tax advisors regarding the particular tax consequences of acquiring, owning and disposing of shares of our common stock, including the effect of any foreign, state or local taxes.

United States Taxation

The following is a summary of the material US federal income tax consequences generally applicable to “US Shareholders” (as defined below) who beneficially own shares of our common stock and hold the shares as capital assets. For purposes of this summary, a “US Shareholder” means a beneficial owner of our common stock that is: (1) an individual who is a citizen or resident of the United States (as defined for US federal income tax purposes); (2) a corporation or other entity created or organized in or under the law of the United States or any of its political subdivisions; (3) an estate whose income is subject to US federal income taxation regardless of its source; or (4) a trust if (i) a court in the United States can exercise primary supervision over the administration of the trust, and one or more United States persons can control all of the substantial decisions of the trust, or (ii) the trust has in effect a valid election to be treated as a United States person for US federal income tax purposes. If a partnership (including for this purpose any entity treated as a partnership for US federal tax purposes) is a beneficial owner of a share of our common stock, the US federal tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of our common stock that is a partnership and partners in that partnership should consult their own tax advisers regarding the US federal income tax consequences of holding and disposing of those shares.

This summary does not comprehensively describe all possible tax issues that could influence a current or prospective US Shareholder’s decision to buy or sell shares of our common stock. In particular, this summary does not discuss: (1) the tax treatment of special classes of US Shareholders, like financial institutions, life insurance companies, tax exempt organizations, tax-qualified employer plans and other tax-qualified or qualified accounts, investors liable for the alternative minimum tax, dealers in securities, shareholders who hold shares of our common stock as part of a hedge, straddle or other risk reduction arrangement, or shareholders whose functional currency is not the US dollar; (2) the tax treatment of US Shareholders who own (directly or indirectly by attribution through certain related parties) 10% or more of our voting stock; and (3) the application of other US federal taxes, like the US federal estate tax. The summary is based on the Internal Revenue Code (the “Code”), applicable US Department of Treasury regulations, judicial decisions and administrative rulings and practice, all as of the date of this Annual Report.

Treatment of ADSs

For US federal income tax purposes, a holder of an ADS is considered the owner of the shares of stock represented by the ADS. Accordingly, except as otherwise noted, references in this summary to ownership of shares of our common stock includes ownership of the shares of our common stock underlying the corresponding ADSs.

Taxation of Distributions

Subject to the passive foreign investment company rules discussed below, the tax treatment of a distribution on shares of our common stock held by a US Shareholder depends on whether the distribution is from our current or accumulated earnings and profits (as determined under US federal income tax principles). To the extent a distribution is from our current or accumulated earnings and profits, a US Shareholder will include the amount of the distribution in gross income as a dividend. To the extent a distribution exceeds our current and accumulated earnings and profits, a US Shareholder will treat the excess first as a non-taxable return of capital to the extent of the US Shareholder's tax basis in those shares and thereafter as capital gain. See the discussion of "Capital Gain Rates" below. Notwithstanding the foregoing described treatment, we do not intend to maintain calculations of our current and accumulated earnings and profits. Dividends received on shares of our common stock will not qualify for the inter-corporate dividends received deduction.

Distributions to US Shareholders that are treated as "qualified dividend income" are generally subject to a maximum rate of 20%. "Qualified dividend income" includes dividends received from a "qualified foreign corporation." A "qualified foreign corporation" includes (1) a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that contains an exchange of information program and (2) a foreign corporation that pays dividends with respect to shares of its stock that are readily tradable on an established securities market in the United States. We believe that we are, and will continue to be, a "qualified foreign corporation" and that dividends we pay with respect to our shares will qualify as "qualified dividend income." To be eligible for the 20% tax rate, a US Shareholder must hold our shares un-hedged for a minimum holding period (generally, 61 days during the 121-day period beginning on the date that is 60 days before the ex-dividend date of the distribution). Although we believe we presently are, and will continue to be, a "qualified foreign corporation," we cannot guarantee that we will so qualify. For example, we will not constitute a "qualified foreign corporation" if we are classified as a "passive foreign investment company" (discussed below) in either the taxable year of the distribution or the preceding taxable year. In addition, the net investment income (including dividend income) of certain taxpayers are subject to an additional 3.8% tax rate.

Distributions to US Shareholders that are treated as dividends are generally considered income from sources outside the United States and, for purposes of computing the limitations on foreign tax credits that apply separately to specific categories of income, foreign source "passive category" income or, in the case of certain holders, "general category" income. In addition, special rules will apply to determine a US Shareholder's foreign tax credit limitation if a dividend distributed with respect to our shares constitutes "qualified dividend income" (as described above). See the discussion of "Credit of Foreign Taxes Withheld" below.

The amount of any distribution we make on shares of our common stock in foreign currency generally will equal the fair market value in US dollars of that foreign currency on the date a US Shareholder receives it. A US Shareholder will have a tax basis in the foreign currency equal to its US dollar value on the date of receipt and will recognize ordinary US source gain or loss when it sells or exchanges the foreign currency. US Shareholders who are individuals will not recognize gain upon selling or exchanging foreign currency if the gain does not exceed US\$200 in a taxable year and the sale or exchange constitutes a "personal transaction" under the Code. The amount of any distribution we make with respect to shares of our common stock in property other than money will equal the fair market value of that property on the date of distribution.

Credit of Foreign Taxes Withheld

Under certain conditions, including a requirement to hold shares of our common stock un-hedged for a certain period, and subject to limitations, a US Shareholder may claim a credit against the US Shareholder's federal income tax liability for the foreign tax owed and withheld or paid with respect to distributions on our shares. Alternatively, a US Shareholder may deduct the amount of withheld foreign taxes, but only for a year for which the US Shareholder elects to deduct all foreign income taxes. Complex rules determine how and when the foreign tax credit applies, and US Shareholders should consult their tax advisers to determine whether and to what extent they may claim foreign tax credits.

Sale or Other Disposition of Shares

Subject to the passive foreign investment company rules discussed below, a US Shareholder will recognize capital gain or loss on the sale or other taxable disposition of shares of our common stock, equal to the difference between the US Shareholder's adjusted tax basis in the shares sold or disposed of and the amount realized on the sale or disposition. Individual US Shareholders may benefit from lower marginal tax rates on capital gains recognized on shares sold, depending on the US Shareholder's holding period for the shares. See the discussion of "Capital Gain Rates" below. Capital losses that do not offset capital gains are subject to limitations on deductibility. The gain or loss from the sale or other disposition of shares of our common stock generally will be treated as income from sources within the United States for foreign tax credit purposes, unless the US Shareholder is a US citizen residing outside the United States and certain other conditions are met.

Capital Gain Rates

Long-term capital gains of certain US individual Shareholders are subject to a maximum rate of 20%. In addition, the "net investment income" (including long and short-term capital gain income) of certain taxpayers is subject to an additional tax of 3.8%.

Passive Foreign Investment Company ("PFIC") Status

Special US federal income tax rules apply to US Shareholders owning capital stock of a PFIC. A foreign corporation will be a PFIC for any taxable year in which 75% or more of its gross income is passive income or in which 50% or more of the average value of its assets is "passive assets" (generally assets that generate passive income or assets held for the production of passive income). For these purposes, passive income excludes certain interest, dividends or royalties from related parties. If we were a PFIC, each US Shareholder would likely face increased tax liabilities upon the sale or other disposition of shares of our common stock or upon receipt of "excess distributions," unless the US Shareholder elects (1) to be taxed currently on its pro rata portion of our income, regardless of whether the income was distributed in the form of dividends or otherwise (provided we furnish certain information to our shareholders), or (2) to mark its shares to market by accounting for any difference between the shares' fair market value and adjusted basis at the end of the taxable year by either an inclusion in income or a deduction from income (provided our ADSs, CUFS or common shares satisfy a test for being regularly traded on a qualified exchange or other market). Because of the manner in which we operate our business, we are not, nor do we expect to become, a PFIC.

Controlled Foreign Corporation Status

If more than 50% of either the voting power of all classes of our voting stock or the total value of our stock is owned, directly or indirectly, by citizens or residents of the United States, United States domestic partnerships and corporations or estates or trusts other than foreign estates or trusts, each of which owns 10% or more of the total combined voting power of all classes of our stock entitled to vote, which we refer

to as “10-Percent Shareholders,” we could be treated as a Controlled Foreign Corporation (“CFC”), under the Code. This classification would, among other consequences, require 10-Percent Shareholders to include in their gross income their pro rata shares of our “Subpart F income” (as specifically defined by the Code) and our earnings invested in US property (as specifically defined by the Code).

In addition, gain from the sale or exchange of our common shares by a United States person who is or was a 10-Percent Shareholder at any time during the five-year period ending with the sale or exchange is treated as dividend income to the extent of the earnings and profits attributable to the stock sold or exchanged. Under certain circumstances, a corporate shareholder that directly owns 10% or more of our voting shares may be entitled to an indirect foreign tax credit for income taxes we paid in connection with amounts so characterized as dividends under the Code.

US Federal Income Tax Provisions Applicable to Non-United States Holders

A Non-US Holder means a beneficial owner of our common stock that is (1) a non-resident alien of the United States for US federal income tax purposes; (2) a corporation created or organized in or under the law of a country, or any of its political subdivisions, other than the United States; or (3) an estate or trust that is not a US Shareholder. A Non-US Shareholder generally will not be subject to US federal income taxes, including US withholding taxes, on any dividends paid on our shares or on any gain realized on a sale, exchange or other disposition of the shares unless the dividends or gain is effectively connected with the conduct by the Non-US Shareholder of trade or business in the United States (and is attributable to a permanent establishment or fixed base the Non-US Shareholder maintains in the United States if an applicable income tax treaty so requires as a condition for the Non-US Shareholder to be subject to US taxation on a net income basis on income related to the common stock). A corporate Non-US Shareholder under certain circumstances may also be subject to an additional “branch profits tax” on that type of income, the rate of which may be reduced pursuant to an applicable income tax treaty. In addition, gain recognized on a sale, exchange or other disposition of our shares by a Non-US Shareholder who is an individual generally will be subject to US federal income taxes if the Non-US Shareholder is present in the United States for 183 days or more in the taxable year in which the sale, exchange or other disposition occurs and certain other conditions are met.

US Information Reporting and Backup Withholding

Dividend payments on shares of our common stock and proceeds from the sale, exchange or redemption of shares of our common stock may be subject to information reporting to the Internal Revenue Service and possible US backup withholding at a current rate of 24%. Backup withholding will not apply to a shareholder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification or who is otherwise exempt from backup withholding. United States persons who are required to establish their exempt status generally must provide that certification on a properly completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US Shareholders generally will not be subject to US information reporting or backup withholding. However, Non-US Shareholders may be required to provide certification of non-US status in connection with payments received in the United States or through certain US related financial intermediaries.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a shareholder’s US federal income tax liability, and a shareholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

Irish Taxation

The following is a summary of the material Irish tax consequences generally applicable to shareholders who invest in shares of our common stock, who are neither tax resident, nor ordinarily resident in, Ireland. This summary does not contain a detailed description of all of the Irish tax consequences for all shareholders, which depend on that shareholder's particular circumstances, and should not be a substitute for advice from an appropriate professional adviser in relation to all of the possible tax issues that could influence a prospective shareholder's decision to acquire shares of our common stock. This summary is based on Irish tax legislation, relevant Irish case law, other Irish Revenue guidance and published opinions and administrative pronouncements of the Irish tax authorities, income tax treaties to which Ireland is a party, and such other authorities as we have considered relevant, all as in effect and available as at the date of this Annual Report, any of which may change possibly with retroactive effect.

Treatment of ADSs

In general, for Irish tax purposes, an owner of depositary receipts is considered the owner of the shares of stock represented by depositary receipts. Accordingly, except as otherwise noted, references in this Annual Report to ownership of shares of our common stock includes ownership of the shares underlying the corresponding ADSs.

Irish Dividend Withholding Tax

Distributions made by us to non-Irish resident shareholders will, subject to certain exceptions, be subject to Irish dividend withholding tax at a standard rate of income tax (which, from 1 January 2020 is 25% and prior to this was 20%) unless you are a shareholder who falls within one of the categories of exempt shareholders referred to below. Where dividend withholding tax applies, we will be responsible for withholding the dividend withholding tax at source. For dividend withholding tax purposes, a dividend includes any distribution made by us to our shareholders, including cash dividends, non-cash dividends and additional shares taken in lieu of a cash dividend.

Dividend withholding tax is not payable where an exemption applies provided that we have received all necessary documentation required by the relevant legislation from our shareholders prior to payment of the dividend.

Certain of our non-Irish tax resident shareholders (both individual and corporate) are entitled to an exemption from dividend withholding tax. In particular, a non-Irish tax resident shareholder is not subject to dividend withholding tax on dividends received from us where the shareholder is:

- an individual shareholder resident for tax purposes in either a member state of the EU (apart from Ireland) or in a country with which Ireland has a double tax treaty, and the individual is neither resident nor ordinarily resident in Ireland;
- a corporate shareholder not resident for tax purposes in Ireland nor ultimately controlled, directly or indirectly, by persons so resident and which is resident for tax purposes in either a member state of the EU (apart from Ireland) or a country with which Ireland has a double tax treaty;
- a corporate shareholder that is not resident for tax purposes in Ireland and which is ultimately controlled, directly or indirectly, by persons resident in either a member state of the EU (apart from Ireland) or in a country with which Ireland has a double tax treaty;
- a corporate shareholder that is not resident for tax purposes in Ireland and whose principal class of shares (or those of its 75% parent) is substantially and regularly traded on a recognized stock exchange in either a member state of the EU (including Ireland where the Company trades only on the Irish stock exchange) or in a country with which Ireland has a double tax treaty or on an exchange approved by the Irish Minister for Finance; or

- a corporate shareholder that is not resident for tax purposes in Ireland and is wholly-owned, directly or indirectly, by two or more companies the principal class of shares of each of which is substantially and regularly traded on a recognized stock exchange in either a member state of the EU (including Ireland where the Company trades only on the Irish stock exchange) or in a country with which Ireland has a double tax treaty or on an exchange approved by the Irish Minister for Finance; and
- provided that, in all cases noted above, the shareholder has made the appropriate non-resident declaration to us prior to payment of the dividend.

Where the shareholder is not the beneficial owner, we will be required to withhold Irish dividend withholding tax at an income tax rate of 25% unless the shareholder is a qualifying intermediary under Irish law and that shareholder has received all necessary documentation required by the relevant legislation, as described above, from the beneficial owner prior to payment of the dividend.

Where our shareholders hold ADSs, they may not be required to submit an appropriate declaration in order to receive dividends without deduction of Irish dividend withholding tax provided their registered address is in the US.

Shareholders must complete and send to us a non-resident declaration form in order to avoid Irish dividend withholding tax. If the appropriate declaration is not made, these shareholders will be liable for Irish dividend withholding tax of 25% on dividends paid by us and may not be entitled to offset this tax. In this case, it will be necessary for shareholders to apply for a refund of the withholding tax directly from the Irish Revenue authorities.

Shareholders that do not fulfill the documentation requirements or otherwise do not qualify for one of the withholding tax exemptions outlined above may be able to claim treaty benefits under a double taxation convention. In this regard, where a double taxation convention is in effect between Ireland and the country of residence of a non-resident shareholder, depending on the terms of that double taxation convention, such a non-resident shareholder may be eligible for a full or partial exemption resulting in a lower dividend withholding tax rate than 25%.

For example, under the US-Ireland Treaty, certain US corporate shareholders owning directly at least 10% of our voting power, are eligible for a reduction in withholding tax to 5% with respect to dividends that we pay, unless the shares of common stock held by such residents form part of the business property of a business carried on through a permanent establishment in Ireland. The same exception applies if the beneficial owner of the shares, being a citizen or resident of the United States, performs independent personal services from a fixed base situated in Ireland and the holding of the shares of common stock in respect of which the dividends are paid pertains to such fixed base in Ireland. A shareholder of our common stock, other than an individual, will be ineligible for the benefits of the US-Irish Treaty unless the shareholder satisfies certain tests under the LOB provisions of Article 23 of the US-Ireland Treaty. To prevent so-called dividend stripping, Irish law generally denies the treaty benefit of a reduced dividend withholding tax rate for any dividend paid to a recipient who is not the "beneficial owner" of the dividend.

Irish Taxes on Income and Capital Gains

Shareholders who are neither tax resident of, nor ordinarily resident in, Ireland should not be subject to any Irish taxes in respect of dividends distributed by us (other than the dividend withholding tax described above) or capital gains realized on the disposition of shares of our common stock unless such shares are used, held or acquired for the purposes of a trade carried on in Ireland through a branch or an agency. An individual who is temporarily a non-resident of Ireland at the time of the disposal may, under anti-avoidance legislation, still be liable to Irish taxation on any chargeable gains realized (subject to the availability of exemptions).

Capital Acquisitions Tax

Irish capital acquisitions tax ("CAT") applies to gifts and inheritances. Subject to certain tax-free thresholds (which are determined by the relationship between the donor and successor or donee), gifts and inheritances are liable to tax at the rate of 33%. Gifts and inheritances passing between spouses are exempt from CAT.

Where a gift or inheritance is taken under a disposition made on or after 1 December 1999, it will be within the charge of CAT:

- to the extent that the property of which the gift or inheritance consists is situated in Ireland at the date of the gift or inheritance;
- where the person making the gift or inheritance is or was resident or ordinarily resident in Ireland at the date of the disposition under which the gift or inheritance is taken; or
- where the person receiving the gift or inheritance is resident or ordinarily resident in Ireland at the date of the gift or inheritance.

Please note that the charge to CAT in respect of appointments from a discretionary trust can be different and as a result, specific advice should be taken in this regard.

A non-Irish domiciled individual will not be regarded as resident or ordinarily resident in Ireland for CAT purposes on a particular date unless they are resident or ordinarily resident in Ireland on that date and have been resident in Ireland for the five consecutive tax years immediately preceding the year of assessment in which the date falls.

A gift or inheritance of our common stock will be within the charge of CAT, notwithstanding that the person from whom or by whom the gift or inheritance is received is domiciled or resident outside Ireland.

The Estate Tax Convention between Ireland and the United States generally provides for CAT paid on inheritances in Ireland to be credited against US federal estate tax payable in the United States and for tax paid in the United States to be credited against tax payable in Ireland, based on priority rules set forth in the Estate Tax Convention. The Estate Tax Convention does not apply to CAT paid on gifts. Irish domestic legislation also provides for a general relief from double taxation in respect of gifts and inheritances.

Irish Stamp Duty

Any electronic transfers of shares through the CHESS or the ADR system will not be regarded as transfers of interests in securities and will not be brought within the charge to Irish stamp duty. If a shareholder undertakes an off-market transaction involving a transfer of the underlying shares, this will be subject to Irish stamp duty at a rate of 1% of market value or consideration paid, whichever is greater and will not be able to be registered until duly stamped. An off-market transfer of CUFS will also, where evidenced in writing, be subject to the 1% Irish stamp duty. In addition, a conversion of shares into CUFS

or ADSs or a conversion of CUFS or ADSs into underlying shares will be liable to 1% Irish stamp duty where the conversion is on a sale or in contemplation of a sale. In each case, payment of this stamp duty will be the responsibility of the person receiving the transfer.

Documents Available for Review

We are subject to the reporting requirements of the Exchange Act applicable to “foreign private issuers” and in accordance therewith file reports, including annual reports, and other information with the SEC. Such reports and other information have been filed electronically with the SEC since 4 November 2002. The SEC maintains a site on the Internet, at www.sec.gov, which contains reports and other information regarding issuers that file electronically with the SEC. In addition, such reports may be obtained, upon written request, from our company secretary at our corporate headquarters in Ireland or our Investor Relations department in Australia. Such reports and other information filed with the SEC prior to November 2002 may be inspected and copied at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street N.E., Washington, D.C. 20549, or obtained by written request to our company secretary. Although, as a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements and annual reports to shareholders and the quarterly reporting requirements of the Exchange Act, we:

- furnish our shareholders with annual reports containing consolidated financial statements examined by an independent registered public accounting firm; and
 - furnish quarterly reports for the first three quarters of each fiscal year containing unaudited consolidated financial information in filings with the SEC under Form 6-K.
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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Cash and cash equivalents include amounts on deposit in banks and cash invested temporarily in various highly liquid financial instruments with original maturities of three months or less when acquired.

We have operations in foreign countries and, as a result, are exposed to foreign currency exchange rate risk inherent in purchases, sales, assets and liabilities denominated in currencies other than the US dollar. We also are exposed to interest rate risk associated with our long-term debt, foreign exchange risk relative to our AFFA liability and our Euro denominated long-term debt and commodity price risk relative to changes in prices of commodities we use in production.

Periodically, interest rate swaps, commodity swaps and forward exchange contracts are used to manage market risks and reduce exposure resulting from fluctuations in interest rates, commodity prices and foreign currency exchange rates. Our policy is to enter into derivative instruments solely to mitigate risks in our business and not for trading or speculative purposes. There can be no assurance that we will be successful in these mitigation strategies or that fluctuation in interest rates, commodity prices and foreign currency exchange rates will not have a material adverse effect on our financial position, liquidity, results of operations and cash flows.

Foreign Currency Exchange Rate Risk

We have significant operations outside of the United States and, as a result, are exposed to changes in exchange rates which affect our financial position, results of operations and cash flow. In addition, payments to AICF are required to be made in Australian dollars which, because the majority of our revenues are produced in US dollars, exposes us to risks associated with fluctuations in the US dollar/Australian dollar exchange rate. See "Section 3 – Risk Factors" of this Annual Report.

For our fiscal year ended 31 March 2021, the following currencies comprised the following percentages of our net sales, expenses and liabilities:

| | US\$ | A\$ | Euros | NZ\$ | Other ¹ |
|---|--------|--------|--------|-------|--------------------|
| Net sales | 66.5 % | 11.1 % | 14.1 % | 2.8 % | 5.5 % |
| Expenses ² | 61.0 % | 15.7 % | 15.4 % | 3.4 % | 4.5 % |
| Liabilities (excluding borrowings) ² | 32.2 % | 55.6 % | 9.2 % | 2.3 % | 0.7 % |

For our fiscal year ended 31 March 2020, the following currencies comprised the following percentages of our net sales, expenses and liabilities:

| | US\$ | A\$ | Euros | NZ\$ | Other ¹ |
|---|--------|--------|--------|-------|--------------------|
| Net sales | 66.4 % | 11.1 % | 14.2 % | 2.8 % | 5.5 % |
| Expenses ² | 63.4 % | 12.6 % | 16.3 % | 3.1 % | 4.6 % |
| Liabilities (excluding borrowings) ² | 21.0 % | 64.2 % | 12.0 % | 2.0 % | 0.8 % |

1 Comprised of Philippine pesos and Canadian dollars.

2 Liabilities include A\$ denominated asbestos liability, which was initially recorded in the fourth quarter of fiscal year 2006. Expenses include cost of goods sold, SG&A expenses, R&D expenses and adjustments to the asbestos liability. See "Section 3 – Risk Factors," and Note 12 to our consolidated financial statements further information regarding the asbestos liability.

We purchase raw materials and fixed assets and sell some finished product for amounts denominated in currencies other than the functional currency of the business in which the related transaction is generated. Further, in order to protect against foreign exchange rate movements, we may enter into forward exchange contracts timed to mature when settlement of the underlying transaction is due to occur. For further information, see Note 13 to our consolidated financial statements in Section 2.

Funding Under the AFFA

The Australian dollar to US dollar assets and liabilities rate moved from 0.6177 as of 31 March 2020 to 0.7601 as of 31 March 2021, a 23% movement, resulting in a US\$123.0 million unfavorable impact on our fiscal year 2021 net income. Assuming that our unfunded net AFFA liability in Australian dollars remains unchanged at A\$729.0 million and that we do not hedge this foreign exchange exposure, a 10% movement in the Australian dollar to US dollar exchange rate (at the 31 March 2021 exchange rate of 0.7601) would have approximately a US\$55.4 million favorable or unfavorable impact on our net income.

For fiscal year 2020, assuming that our unfunded net AFFA liability in Australian dollars remains unchanged at A\$881.4 million and that we do not hedge this foreign exchange exposure, a 10% movement in the Australian dollar to US dollar exchange rate (at the 31 March 2020 exchange rate of 0.6177) would have approximately a US\$54.4 million favorable or unfavorable impact on our net income.

Interest Rate Risk

We have market risk from changes in interest rates, primarily related to our revolving credit facility. As of 31 March 2021 and 2020, our revolving credit facility was subject to variable interest rates. The interest rate is calculated two business days prior to the commencement of each draw-down period based on the London Interbank Offered Rate ("LIBOR") plus the bank margin and is payable at the end of each draw-down period or interest period in the case of a continuation of a loan. If interest rates increase, our debt service obligations on such variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. Assuming all loans were fully drawn, each one percentage point change in interest rates would result in a US\$5.1 million change in annual cash interest expense under the revolving credit facility.

From time to time, we may enter into interest rate swap contracts in an effort to mitigate interest rate risk. These contracts were entered into to protect against upward movements in LIBOR and the associated interest the Company pays on its external debt. For further information, see Note 13 to our consolidated financial statements in Section 2.

At 31 March 2021 and 31 March 2020, we had nil and US\$130.0 million outstanding under our revolving credit facility exposing us to market risk due to changes in the rate at which interest accrues.

Commodity Price Risk

We are exposed to changes in prices of commodities used in our operations, primarily associated with energy, fuel and raw materials such as pulp and cement. While we expect to continue operating in tight markets for these commodities, we do enter into various sourcing arrangements in an effort to minimize additional working capital requirements caused by rising prices. These arrangements provide discounts on the prices of such commodities in relation to market prices and indices, however, if such commodity prices do not continue to rise, these fixed pricing arrangements may negatively impact our cost of sales over the longer-term.

We have assessed the market risk of our core commodities (pulp, cement and silica) and believe that, a +/- 10% change in the average cost of these materials for the year ended 31 March 2021 would have resulted in +/- US\$32.8 million or 1.8% impact on our cost of sales for fiscal year 2021.

For fiscal year 2020, we have assessed the market risk of our core commodities (pulp, cement and silica) and believe that, a +/- 10% change in the average cost of these materials for the year ended 31 March 2020 would have resulted in +/- US\$31.8 million or 1.9% impact on our cost of sales for fiscal year 2020.

SECTION 4

SHARE/CHESS UNITS OF FOREIGN SECURITIES INFORMATION

As of 30 April 2021, JHI plc had 444,288,874 CUFS issued over ordinary shares listed on the ASX and held by CHESS Depositary Nominees Pty Ltd ("CDN") on behalf of 27,534 CUFS holders. Each CUFS represents the beneficial ownership of one ordinary share and carries the right to one vote. Each CUFS holder can direct CDN on how to vote the ordinary shares on a one vote per CUFS basis. RSUs issued by the Company carry no voting rights.

At 30 April 2021, to our knowledge, we are not directly or indirectly owned or controlled by another corporation, by a foreign government or by any other natural or legal persons severally or jointly, and we are not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Geographic Distribution of Beneficial Ownership of James Hardie Industries plc

The following table shows the geographic distribution of the beneficial holders of our CUFS at 31 March 2021 and 2020:

| Geographic Region | 31 March 2021 | 31 March 2020 |
|---------------------------------------|---------------|---------------|
| Australia | 60.32 % | 61.38 % |
| United States | 15.93 % | 14.65 % |
| United Kingdom | 3.65 % | 4.50 % |
| Europe (excluding the United Kingdom) | 6.26 % | 6.27 % |
| Asia | 4.49 % | 5.08 % |
| Other | 9.35 % | 8.12 % |

As of 30 April 2021, 0.29% of the outstanding shares of our common stock was held by 80 CUFS holders with registered addresses in the United States. In addition, as of 30 April 2021, 1.22% of the outstanding shares of our common stock was represented by ADSs held by 8 holders, all of whom have registered addresses in the United States, except 2 holders having registered addresses in Germany and the United Kingdom. A total of 1.51% of our outstanding capital stock was registered to 86 US holders as of 30 April 2021.

Distribution Schedule of James Hardie Industries plc

The following table shows a distribution of the holders of our CUFS at 30 April 2021:

| Size of Holding Range | CUFS | | | Options | |
|-----------------------|---------|-------------|---------|---------|----------|
| | Holders | Holdings | Total % | Holders | Holdings |
| 1-1,000 | 20,271 | 6,630,331 | 1.49 | - | - |
| 1,001-5,000 | 6,052 | 12,770,759 | 2.87 | - | - |
| 5,001-10,000 | 723 | 5,151,774 | 1.16 | - | - |
| 10,001-100,000 | 432 | 9,782,187 | 2.20 | - | - |
| 100,001 and over | 56 | 409,953,823 | 92.28 | - | - |
| Totals | 27,534 | 444,288,874 | 100.00 | - | - |

Based on the closing price of A\$42.90 on 30 April 2021, there were 274 CUFS holders that held less than a marketable parcel of shares.

Substantial CUFS holders of James Hardie Industries plc

As at 30 April 2021, the Company had received notification of the following interests in its share capital, which were equal to, or in excess of, 3%:

| CUFS holder | Shares Beneficially Owned | Percentage of Shares Outstanding | Date became substantial shareholder |
|--|---------------------------|----------------------------------|-------------------------------------|
| AustralianSuper Pty Ltd | 31,173,374 | 7.02 % | 2 September 2019 |
| Blackrock, Inc | 26,109,637 | 5.88 % | 16 October 2014 |
| The Vanguard Group, Inc. | 25,402,152 | 5.72 % | 17 August 2018 |
| Bennelong Funds Management Group Pty Ltd | 25,018,691 | 5.63 % | 16 December 2020 |
| OppenheimerFunds, Inc. | 23,564,091 | 5.30 % | 30 June 2016 |
| Commonwealth Bank of America | 22,894,697 | 5.15 % | 15 August 2014 |
| Pinnacle Investment Management Group Limited | 22,274,919 | 5.01 % | 14 April 2021 |
| Challenger Limited | 18,918,753 | 4.26 % | 23 May 2018 |
| Mitsubishi UFJ Financial Group, Inc. | 17,451,381 | 3.93 % | 2 August 2019 |
| Schroders plc | 14,529,189 | 3.27 % | 1 June 2015 |

James Hardie Industries plc 20 largest CUFS holders and their holdings as of 30 April 2021

| Name | CUFS Holdings | Percentage | Rank |
|--|--------------------|----------------|------|
| HSBC Custody Nominees (Australia) Limited | 155,689,528 | 35.04 % | 1 |
| J P Morgan Nominees Australia Pty Limited | 104,425,642 | 23.50 % | 2 |
| Citicorp Nominees Pty Limited | 52,951,959 | 11.92 % | 3 |
| National Nominees Limited | 26,360,328 | 5.93 % | 4 |
| BNP Paribas Nominees Pty Ltd | 19,612,718 | 4.41 % | 5 |
| Citicorp Nominees Pty Limited | 11,212,924 | 2.52 % | 6 |
| BNP Paribas Noms Pty Ltd | 9,125,151 | 2.05 % | 7 |
| Australian Foundation Investment Company Limited | 4,400,000 | 0.99 % | 8 |
| HSBC Custody Nominees (Australia) Limited | 3,064,669 | 0.69 % | 9 |
| HSBC Custody Nominees (Australia) Limited | 2,800,599 | 0.63 % | 10 |
| BNP Paribas Nominees Pty Ltd | 2,662,685 | 0.60 % | 11 |
| BNP Paribas Nominees Pty Ltd | 1,633,212 | 0.37 % | 12 |
| Netwealth Investments Limited | 1,119,321 | 0.25 % | 13 |
| Argo Investments Limited | 946,000 | 0.21 % | 14 |
| HSBC Custody Nominees (Australia) Limited | 871,579 | 0.20 % | 15 |
| HSBC Custody Nominees (Australia) Limited | 825,509 | 0.19 % | 16 |
| BNP Paribas Noms (NZ) Ltd | 754,054 | 0.17 % | 17 |
| Mutual Trust Pty Ltd | 681,576 | 0.15 % | 18 |
| Millenium Pty Ltd | 630,000 | 0.14 % | 19 |
| Carlton Hotel Limited | 625,362 | 0.14 % | 20 |
| TOTAL | 400,392,816 | 90.12 % | |

GLOSSARY OF ABBREVIATIONS AND DEFINITIONS

Abbreviations

| | |
|-----------|--|
| 2001 Plan | 2001 Equity Incentive Plan |
| ADR | American Depositary Receipt |
| ADS | American Depositary Share |
| AFFA | Amended and Restated Final Funding Agreement, as amended from time to time |
| AGM | Annual General Meeting |
| AICF | Asbestos Injuries Compensation Fund |
| ASC | Accounting Standards Codification |
| ASIC | Australian Securities and Investments Commission |
| ASU | Accounting Standards Update |
| ASX | Australian Securities Exchange |
| ATO | Australian Taxation Office |
| CARES Act | US Coronavirus Aid, Relief, and Economic Security Act |
| CCPA | California Consumer Privacy Act |
| CDN | CHESS Depositary Nominees Pty Ltd |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CHESS | Clearing House Electronic Subregister System |
| CHRO | Chief Human Resources Officer |
| CP Plan | Company Performance Plan |
| CUFS | CHESS Units of Foreign Securities |
| EPS | Earnings Per Share |
| ESG | Environmental, Social and Governance |
| FASB | Financial Accounting Standards Board |
| GDPR | General Data Protection Regulation |
| IP Plan | Individual Performance Plan |
| IRS | Internal Revenue Service |
| KPMGA | KPMG Actuarial |
| LIBOR | London Interbank Offered Rate |
| LOB | Limitation on Benefits |
| LTi | Long-Term Incentive |
| LTIP | Long-Term Incentive Plan 2006 |
| NOLs | US net operating losses |
| NSW | New South Wales |
| NYSE | New York Stock Exchange |
| OSB | Oriented Strand Board |
| PDG | Primary Demand Growth |
| R&D | Research and Development |
| ROCE | Return on Capital Employed |

| | |
|------|--|
| RSU | Restricted Stock Unit |
| SEC | United States Securities and Exchange Commission |
| SG&A | Selling, General and Administrative |
| STI | Short-Term Incentive |
| TSR | Total Shareholder Return |

Definitions

This Annual Report contains financial measures that are considered to be non-US GAAP, but are consistent with those used by Australian companies. Because the Company prepares its consolidated financial statements in accordance with US GAAP, the following cross-references each US GAAP financial measure as used in the Company's consolidated financial statements to the equivalent non-US GAAP financial measure listed.

EBIT - Earnings before interest and tax is equivalent to the US GAAP financial statement line item Operating income (loss).

EBIT margin - EBIT margin is defined as EBIT as a percentage of net sales. EBIT margin is equivalent to the US GAAP terminology Operating income (loss) margin.

EBITDA - Earnings before interest, tax, depreciation and amortization is equivalent to the US GAAP financial statement line item Operating income (loss), plus depreciation and amortization expenses.

EBITDA margin - EBITDA margin is defined as EBITDA as a percentage of net sales.

Other Financial Measures

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness

Non-GAAP Financial Information Derived from GAAP Measures

This Annual Report includes certain financial information to supplement the Company's consolidated financial statements which are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). These financial measures are designed to provide investors with an alternative method for assessing our performance from on-going operations, capital efficiency and profit generation. Management uses these financial measures for the same purposes. These financial measures include:

- Adjusted operating income;
- Adjusted net income;
- Adjusted diluted earnings per share;
- Adjusted Return on Capital Employed ("ROCE");
- North America Fiber Cement Segment Adjusted operating income;
- Asia Pacific Fiber Cement Segment Adjusted operating income;
- Europe Building Products Segment Adjusted operating income;
- North America Fiber Cement Segment Adjusted operating income margin;
- Asia Pacific Fiber Cement Segment Adjusted operating income margin;
- Europe Building Products Segment Adjusted operating income margin;
- North America Fiber Cement Segment Adjusted EBITDA margin;
- Asia Pacific Fiber Cement Segment Adjusted EBITDA margin; and
- Europe Building Products Segment Adjusted EBITDA margin.

These financial measures are or may be non-US GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission and may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with US GAAP. These financial measures are not meant to be considered in isolation or as a substitute for comparable US GAAP financial measures and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with US GAAP. In evaluating these financial measures, investors should note that other companies reporting or describing similarly titled financial measures may calculate them differently and investors should exercise caution in comparing the Company's financial measures to similar titled measures by other companies.

Adjusted operating income

| (Millions of US dollars) | FY21 | FY20 | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating income | \$ 472.8 | \$ 342.5 | \$ 351.6 | \$ 229.2 | \$ 393.2 | \$ 354.0 | \$ 335.0 |
| Excluding: | | | | | | | |
| Asbestos: | | | | | | | |
| Asbestos adjustments | 143.9 | 58.2 | 22.0 | 156.4 | (40.4) | (5.5) | (33.4) |
| AICF SG&A expenses | 1.2 | 1.7 | 1.5 | 1.9 | 1.5 | 1.7 | 2.5 |
| Restructuring and product line discontinuation expenses | 11.1 | 84.4 | 29.5 | — | — | — | — |
| Fermacell acquisition costs | — | — | — | 10.0 | — | — | — |
| New Zealand weathertightness claims | — | — | — | — | — | 0.5 | (4.3) |
| Non-recurring stamp duty | — | — | — | — | — | — | 4.2 |
| Adjusted operating income | \$ 629.0 | \$ 486.8 | \$ 404.6 | \$ 397.5 | \$ 354.3 | \$ 350.7 | \$ 304.0 |

Adjusted net income

| (Millions of US dollars) | FY21 | FY20 | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net income | \$ 262.8 | \$ 241.5 | \$ 228.8 | \$ 146.1 | \$ 276.5 | \$ 244.4 | \$ 291.3 |
| Excluding: | | | | | | | |
| Asbestos: | | | | | | | |
| Asbestos adjustments | 143.9 | 58.2 | 22.0 | 156.4 | (40.4) | (5.5) | (33.4) |
| AICF SG&A expenses | 1.2 | 1.7 | 1.5 | 1.9 | 1.5 | 1.7 | 2.5 |
| AICF interest income, net | (0.5) | (1.4) | (2.0) | (1.9) | 1.1 | 0.3 | (1.4) |
| Restructuring and product line discontinuation expenses | 11.1 | 84.4 | 29.5 | — | — | — | — |
| Fermacell acquisition costs | — | — | — | 10.0 | — | — | — |
| New Zealand weathertightness claims | — | — | — | — | — | 0.5 | (4.3) |
| Loss on early debt extinguishment | — | — | 1.0 | 26.1 | — | — | — |
| Non-recurring stamp duty | — | — | — | — | — | — | 4.2 |
| Tax adjustments ¹ | 39.5 | (31.6) | 19.7 | (47.3) | 9.9 | 1.5 | (37.5) |
| Adjusted net income | \$ 458.0 | \$ 352.8 | \$ 300.5 | \$ 291.3 | \$ 248.6 | \$ 242.9 | \$ 221.4 |

¹ Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

Adjusted diluted earnings per share

| | FY21 | FY20 | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Adjusted net income (millions of US dollars) | \$ 458.0 | \$ 352.8 | \$ 300.5 | \$ 291.3 | \$ 248.6 | \$ 242.9 | \$ 221.4 |
| Weighted average common shares outstanding - Diluted (millions) | 445.4 | 444.1 | 443.0 | 442.3 | 443.9 | 447.2 | 446.4 |
| Adjusted diluted earnings per share (US dollars) | 1.03 | 0.79 | 0.68 | 0.66 | 0.56 | 0.54 | 0.50 |

Adjusted Return on Capital Employed ("Adjusted ROCE")

| (Millions of US dollars) | FY21 | FY20 | FY19 | FY18 | FY17 | FY16 | FY15 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Numerator | | | | | | | |
| Adjusted operating income | \$ 629.0 | \$ 486.8 | \$ 404.6 | \$ 397.5 | \$ 354.3 | \$ 350.7 | \$ 304.0 |
| Adjustments to operating income ¹ | — | — | (7.3) | — | — | — | — |
| Adjusted operating income for ROCE | 629.0 | 486.8 | 397.3 | 397.5 | 354.3 | 350.7 | 304.0 |
| Denominator | | | | | | | |
| Gross capital employed (GCE) | 1,780.8 | 1,753.7 | 1,492.7 | 1,272.0 | 1,107.6 | 1,102.7 | 1,042.1 |
| Adjustments to GCE ² | (193.6) | (195.5) | (77.4) | (24.3) | 50.3 | 40.5 | 20.0 |
| Adjusted gross capital employed | \$ 1,587.2 | \$ 1,558.2 | \$ 1,415.3 | \$ 1,247.7 | \$ 1,157.9 | \$ 1,143.2 | \$ 1,062.1 |
| Adjusted ROCE | 39.6% | 31.2% | 28.1% | 31.9% | 30.6% | 30.7% | 28.6% |

¹ Adjustments as calculated according to ROCE stock compensation plan documents

² Calculated as Total Assets minus Current Liabilities as reported in our financial results; adjusted by (i) excluding balance sheet items related to legacy issues (such as asbestos adjustments) dividends payables and deferred taxes; (ii) adding back asset impairment charges in the relevant period, unless otherwise determined by the remuneration committee; (iii) adding back leasehold assets for manufacturing facilities and other material leased assets (FY15-FY19) and (iv) deducting all greenfield construction-in-progress, and any brownfield construction-in-progress projects involving capacity expansion that are individually greater than US\$20 million, until such assets reach commercial production and are transferred to the fixed asset register

North America Fiber Cement Segment Adjusted operating income

| (Millions of US dollars) | FY21 | FY20 | FY19 | FY18 | FY17 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating income | \$ 585.5 | \$ 429.3 | \$ 382.5 | \$ 381.9 | \$ 343.9 |
| Excluding: | | | | | |
| Restructuring and product line discontinuation expenses | 2.5 | 41.2 | 5.4 | — | — |
| North America Fiber Cement Segment Adjusted operating income | \$ 588.0 | \$ 470.5 | \$ 387.9 | \$ 381.9 | \$ 343.9 |
| North America Fiber Cement segment net sales | 2,040.2 | 1,816.4 | 1,676.9 | 1,578.1 | 1,493.4 |
| North America Fiber Cement Segment Adjusted operating income margin | 28.8% | 25.9% | 23.1% | 24.2% | 23.0% |

Asia Pacific Fiber Cement Segment Adjusted operating income

| (Millions of Australian dollars) | FY21 | FY20 | FY19 | FY18 | FY17 |
|---|------------------|------------------|------------------|------------------|------------------|
| Operating income | A\$ 172.4 | A\$ 80.8 | A\$ 136.5 | A\$ 139.8 | A\$ 125.0 |
| Excluding: | | | | | |
| Restructuring expenses | 4.9 | 58.3 | — | — | — |
| Asia Pacific Fiber Cement Segment Adjusted operating income | A\$ 177.3 | A\$ 139.1 | A\$ 136.5 | A\$ 139.8 | A\$ 125.0 |
| Asia Pacific Fiber Cement segment net sales | 635.2 | 614.1 | 612.2 | 549.7 | 493.5 |
| Asia Pacific Fiber Cement Segment Adjusted operating income margin | 28.0% | 22.7% | 22.3% | 25.4% | 25.3% |

Europe Building Products Segment Adjusted operating income

| (Millions of Euros) | FY21 | FY20 | FY19 |
|--|--------------|-------------|-------------|
| Operating income | € 31.4 | € 10.0 | € 9.1 |
| Excluding: | | | |
| Restructuring expenses | 4.5 | 4.9 | — |
| Europe Building Products Segment Adjusted operating income | € 35.9 | € 14.9 | € 9.1 |
| Europe Building Products segment net sales | 350.6 | 334.2 | 318.0 |
| Europe Building Products Segment Adjusted operating income margin | 10.4% | 4.5% | 2.7% |

FY21 Segment Adjusted EBITDA margins

| (In Millions) | North America Fiber Cement | Asia Pacific Fiber Cement | Europe Building Products |
|---------------------------------------|----------------------------|---------------------------|--------------------------|
| Operating income | \$ 585.5 | A\$ 172.4 | € 31.4 |
| Excluding: | | | |
| Restructuring expenses | 2.5 | 4.9 | 4.5 |
| Depreciation and amortization | 89.1 | 19.1 | 23.9 |
| Segment Adjusted EBITDA | \$ 677.1 | A\$ 196.4 | € 59.8 |
| Segment net sales | 2,040.2 | 635.2 | 350.6 |
| Segment Adjusted EBITDA margin | 33.2% | 30.9% | 17.1% |

EXHIBIT LIST

| Exhibit Number | Exhibit Description |
|----------------------|--|
| 1.1* | Memorandum of Association of James Hardie Industries plc, as amended |
| 1.2* | Articles of Association of James Hardie Industries plc |
| 2.1 | Amended and Restated Deposit Agreement, by and among James Hardie Industries plc, Deutsche Bank Trust Company Americas, as depositary, and the holders and beneficial owners of American depositary shares evidenced by American depositary receipts issued thereunder (filed as Exhibit 99.A to the Company's Registration Statement on Form F-6 filed on 25 September 2014 (Commission File Number 333-198928) and incorporated by reference herein) |
| 2.2 | Form of Amendment No. 1 to Amended and Restated Deposit Agreement (filed as Exhibit 99(A)(2) to the Company's Post-Effective Amendment No. 1 to Form F-6 filed on 03 September 2015 (Commission File Number 333-198928) and incorporated by reference herein) |
| 2.3 | Guarantee Trust Deed, dated 19 December 2006, by and between James Hardie Industries N.V. and AET Structured Finance Services Pty Limited (filed as Exhibit 4.12 to the Company's Post-Effective No. 1 to Form F-4 filed on 17 June 2010 (Commission File Number 333-165531) and incorporated by reference herein) |
| 2.4 | Performing Subsidiary Undertaking and Guarantee Trust Deed, dated 19 December 2006, by and between James Hardie 117 Pty Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 4.14 to the Company's Post-Effective No. 1 to Form F-4 filed on 17 June 2010 (Commission File Number 333-165531) and incorporated by reference herein) |
| 2.5 | Intercreditor Deed, dated 19 December 2006, by and among The State of New South Wales, James Hardie Industries N.V., Asbestos Injuries Compensation Fund Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 10.34 to the Company's Post-Effective No. 1 to Form F-4 filed on 17 June 2010 (Commission File Number 333-165531) and incorporated by reference herein) |
| 2.6 | Letter Agreement, dated 21 March 2007, amending the Intercreditor Deed, dated 19 December 2006, by and among The State of New South Wales, James Hardie Industries N.V., Asbestos Injuries Compensation Fund Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 10.35 to the Company's Post-Effective No. 1 to Form F-4 filed on 17 June 2010 (Commission File Number 333-165531) and incorporated by reference herein) |
| 2.7 | Performing Subsidiary Intercreditor Deed, dated 19 December 2006, by and among The State of New South Wales, James Hardie 117 Pty Limited, Asbestos Injuries Compensation Fund Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 10.37 to the Company's Post-Effective No. 1 to Form F-4 filed on 17 June 2010 (Commission File Number 333-165531) and incorporated by reference herein) |
| 2.8 | Letter Agreement, dated 21 March 2007, amending the Performing Subsidiary Intercreditor Deed, dated 19 December 2006, by and among The State of New South Wales, James Hardie 117 Pty Limited, Asbestos Injuries Compensation Fund Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 10.38 to the Company's Post-Effective No. 1 to Form F-4 filed on 17 June 2010 (Commission File Number 333-165531) and incorporated by reference herein) |

| Exhibit Number | Exhibit Description |
|----------------------|--|
| 2.9 | Amending Deed to Guarantee Trust Deed, dated 6 October 2009, by and between James Hardie Industries N.V. and AET Structured Finance Services Pty Limited (filed as Exhibit 2.10 to the Company's Annual Report on Form 20-F filed on 30 June 2010 (Commission File 001-15240) and incorporated by reference herein) |
| 2.10 | Amending Deed to Performing Subsidiary Undertaking and Guarantee Trust Deed, dated 6 October 2009, by and between James Hardie 117 Pty Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 2.12 to the Company's Annual Report on Form 20-F filed on 30 June 2010 (Commission File 001-15240) and incorporated by reference herein) |
| 2.11 | Amending Deed (Intercreditor Deed), dated 23 June 2009, by and among The State of New South Wales, James Hardie Industries N.V., Asbestos Injuries Compensation Fund Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 4.36 to the Company's Annual Report on Form 20-F filed on 30 June 2010 (Commission File 001-15240) and incorporated by reference herein) |
| 2.12 | Amending Deed (Performing Subsidiary Intercreditor Deed), dated 23 June 2009, by and among The State of New South Wales, James Hardie 117 Pty Limited, Asbestos Injuries Compensation Fund Limited and AET Structured Finance Services Pty Limited (filed as Exhibit 4.39 to the Company's Annual Report on Form 20-F filed on 30 June 2010 (Commission File 001-15240) and incorporated by reference herein) |
| 2.13 | Indenture, dated 13 December 2017, by and among James Hardie International Finance Designated Activity Company, the guarantors named therein and Deutsche Bank Trust Company Americas (filed as Exhibit 2.13 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |
| 2.14 | Form of 5.000% Senior Note due 2028 (filed as Exhibit 2.15 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |
| 2.15 | Amended and Restated Credit and Guaranty Agreement, dated 13 December 2017, by and among James Hardie International Finance Designated Activity Company and James Hardie Building Products Inc., as borrowers, James Hardie International Group Limited and James Hardie Technology Limited, as guarantors, James Hardie Industries plc, as parent, HSBC Bank USA, National Association, as administrative agent, and the other lender parties thereto (filed as Exhibit 2.16 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |
| 2.16 | 364-Day Term Loan and Guaranty Agreement, dated 13 December 2017, by and among James Hardie International Finance Designated Activity Company and James Hardie Building Products Inc., as borrowers, James Hardie International Group Limited and James Hardie Technology Limited, as guarantors, James Hardie Industries plc, as parent, HSBC Bank USA, National Association, as administrative agent, and the other lender parties thereto (filed as Exhibit 2.17 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |

| Exhibit Number | Exhibit Description |
|-----------------------|---|
| 2.17 | Indenture, dated 4 October 2018, among James Hardie International Finance Designated Activity Company, the guarantors listed therein, Deutsche Bank Trust Company Americas, as Trustee and Registrar and Deutsche Bank AG, London Branch, as Paying Agent and Transfer Agent (filed as Exhibit 99.8 to the Company's Report on Form 6-K filed 8 November 2018 (Commission File Number 001-15240 and incorporated by reference herein) |
| 2.18 | Form of 3.625% Senior Notes due 2026 ((filed as Exhibit 99.8 to the Company's Report on Form 6-k filed 8 November 2018 (Commission File Number 001-15240 and incorporated by reference herein) |
| 2.19* | Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934 |
| 4.1 | Amended and Restated James Hardie Industries SE 2001 Equity Incentive Plan (filed as Exhibit 4.1 to the Company's Annual Report on Form 20-F filed on 2 July 2012 (Commission File 001-15240) and incorporated by reference herein) |
| 4.2 | Amended and Restated James Hardie Industries plc Long Term Incentive Plan 2006 (filed as Exhibit 99.5 to the Company's Report on Form 6-K filed 14 August 2018 (Commission File Number 001-15240 and incorporated by reference herein) |
| 4.3 | Form of Joint and Several Indemnity Agreement among James Hardie N.V., James Hardie (USA) Inc. and certain indemnitees thereto (filed as Exhibit 4.15 to the Company's Annual Report on Form 20-F filed on 7 July 2005 (Commission File 001-15240) and incorporated by reference herein) |
| 4.4 | Form of Joint and Several Indemnity Agreement among James Hardie Industries N.V., James Hardie Inc. and certain indemnitees thereto (filed as Exhibit 4.16 to the Company's Annual Report on Form 20-F filed on 7 July 2005 (Commission File 001-15240) and incorporated by reference herein) |
| 4.5 | Form of Deed of Access, Insurance and Indemnity between James Hardie Industries N.V. and supervisory board directors and managing board directors (filed as Exhibit 4.9 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |
| 4.6 | Form of Indemnity Agreement between James Hardie Building Products, Inc. and supervisory board directors, managing board directors and certain executive officers (filed as Exhibit 4.10 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |
| 4.7 | Form of Irish law-governed Deed of Access, Insurance and Indemnity between James Hardie Industries SE, a European Company registered in Ireland, and its directors, company secretary and certain senior employees thereto (filed as Exhibit 10.10 to the Company's Registration Statement on Form F-4 filed on 23 June 2009 (Commission File 333-160177) and incorporated by reference herein) |
| 4.8 | Form of Deed of Access, Insurance and Indemnity between James Hardie Industries plc, and certain indemnitees thereto (filed as Exhibit 4.9 to the Company's Annual Report on Form 20-F filed on 21 May 2015 (Commission File 001-15240) and incorporated by reference herein) |

| Exhibit Number | Exhibit Description |
|----------------------|--|
| 4.9 | Deed of Release - Unions and Banton, dated 21 December 2005, by and among James Hardie Industries N.V., Australian Council of Trade Unions, Unions New South Wales, and Bernard Douglas Banton (filed as Exhibit 4.23 to the Company's Annual Report on Form 20-F filed on 29 September 2006 (Commission File 001-15240) and incorporated by reference herein) |
| 4.10 | Deed of Release, dated 22 June 2006, by and between James Hardie Industries N.V. and The State of New South Wales (filed as Exhibit 4.25 to the Company's Annual Report on Form 20-F filed on 29 September 2006 (Commission File 001-15240) and incorporated by reference herein) |
| 4.11 | Amended and Restated Final Funding Agreement, dated 21 November 2006, by and among James Hardie Industries N.V., James Hardie 117 Pty Ltd, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 99.4 to the Company's Report on Form 6-K filed on 05 January 2007 (Commission File 001-15240) and incorporated by reference herein) |
| 4.12 | Asbestos Injuries Compensation Fund Amended and Restated Trust Deed, dated 14 December 2006, by and between James Hardie Industries N.V. and Asbestos Injuries Compensation Fund Limited (filed as Exhibit 4.22 to the Company's Annual Report on Form 20-F filed on 6 July 2007 (Commission File 001-15240) and incorporated by reference herein) |
| 4.13 | Second Irrevocable Power of Attorney, dated 14 December 2006, by and between Asbestos Injuries Compensation Fund Limited and The State of New South Wales (filed as Exhibit 4.26 to the Company's Annual Report on Form 20-F filed on 6 July 2007 (Commission File 001-15240) and incorporated by reference herein) |
| 4.14 | Deed of Accession, dated 14 December 2006, by and among Asbestos Injuries Compensation Fund Limited, James Hardie Industries N.V., James Hardie 117 Pty Limited and The State of New South Wales (filed as Exhibit 4.27 to the Company's Annual Report on Form 20-F filed on 6 July 2007 (Commission File 001-15240) and incorporated by reference herein) |
| 4.15 | Amendment to Amended and Restated Final Funding Agreement, dated 6 August 2007, by and among, James Hardie Industries NV, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 4.22 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |
| 4.16 | Deed Poll, dated 11 June 2008, amendment of the Asbestos Injuries Compensation Fund Amended and Restated Trust Deed (filed as Exhibit 4.27 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |

| Exhibit Number | Exhibit Description |
|----------------------|--|
| 4.17 | Amendment to Amended and Restated Final Funding Agreement, dated 8 November 2007, by and among, James Hardie Industries NV, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 4.23 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |
| 4.18 | Amendment to Amended and Restated Final Funding Agreement, dated 11 June 2008, by and among, James Hardie Industries NV, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 4.24 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |
| 4.19 | Amended and Restated Final Funding Agreement - Address for Service of Notice on Trustee, dated 13 June 2008 (filed as Exhibit 4.25 to the Company's Annual Report on Form 20-F filed on 8 July 2008 (Commission File 001-15240) and incorporated by reference herein) |
| 4.20 | Amendment to Amended and Restated Final Funding Agreement, dated 17 July 2008, by and among, James Hardie Industries NV, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 10.27 to the Company's Registration Statement on Form F-4 filed on 23 June 2009 (Commission File 333-160177) and incorporated by reference herein) |
| 4.21 | Deed of Confirmation, dated 23 June 2009, by and among James Hardie Industries N.V., James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 10.37 to the Company's Registration Statement on Form F-4/A filed on 10 July 2009 (Commission File 333-160177) and incorporated by reference herein) |
| 4.22 | Amending Agreement (Parent Guarantee), dated 23 June 2009, by and among Asbestos Injuries Compensation Fund Limited, The State of New South Wales and James Hardie Industries N.V. (filed as Exhibit 4.30 to the Company's Annual Report on Form 20-F filed on 30 June 2010 (Commission File 001-15240) and incorporated by reference herein) |
| 4.23 | Deed to amend the Amended and Restated Final Funding Agreement and facilitate the Authorized Loan Facility, dated 9 December 2010, by and among James Hardie Industries SE, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of each of the Compensation Funds (filed as Exhibit 4.25 to the Company's Annual Report on Form 20-F filed on 29 June 2011 (Commission File 001-15240) and incorporated by reference herein) |
| 4.24 | AICF facility agreement, dated 9 December 2010, by and among Asbestos Injuries Compensation Fund Limited, ABN 60 Pty Limited, Amaca Pty Ltd, Amaba Pty Ltd and The State of New South Wales (filed as Exhibit 4.40 to the Company's Annual Report on Form 20-F filed on 29 June 2011 (Commission File 001-15240) and incorporated by reference herein) |

| Exhibit Number | Exhibit Description |
|----------------------|--|
| 4.25 | Fixed and Floating Charge, dated 9 December 2010, by and among Asbestos Injuries Compensation Fund Limited, ABN 60 Pty Limited, Amaca Pty Ltd, Amaba Pty Ltd and The State of New South Wales (filed as Exhibit 4.41 to the Company's Annual Report on Form 20-F filed on 29 June 2011 (Commission File 001-15240) and incorporated by reference herein) |
| 4.26 | Deed to amend the Amended and Restated Final Funding Agreement, dated 29 February 2012, by and among James Hardie Industries SE, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of each of the Compensation Funds (filed as Exhibit 4.27 to the Company's Annual Report on Form 20-F filed on 2 July 2012 (Commission File 001-15240) and incorporated by reference herein) |
| 4.27 | Deed to amend the Amended and Restated Final Funding Agreement, dated 28 March 2012, by and among James Hardie Industries SE, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of each of the Compensation Funds (filed as Exhibit 4.28 to the Company's Annual Report on Form 20-F filed on 2 July 2012 (Commission File 001-15240) and incorporated by reference herein) |
| 4.28 | Summary of Amendments to Amended and Restated Final Funding Agreement, dated 20 December 2013, by and among, James Hardie Industries NV, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee of the Asbestos Injuries Compensation Fund (filed as Exhibit 4.37 to the Company's Annual Report on Form 20-F filed on 26 June 2014 (Commission File 001-15240) and incorporated by reference herein) |
| 4.29 | Deed of Amendment, dated 27 February 2015, by and among Asbestos Injuries Compensation Fund Limited, ABN 60 Pty Limited, Amaca Pty Ltd, Amaba Pty Ltd and The State of New South Wales (filed as Exhibit 4.32 to the Company's Annual Report on Form 20-F filed on 21 May 2015 (Commission File Number 001-15240) and incorporated by reference herein) |
| 4.30 | Sale and Purchase Agreement related to XI (DL) Holdings GmbH, dated 7 November 2017, by and among Xella International S.A., as seller, Platin 1391. GmbH (now known as James Hardie Germany GmbH) as purchaser, and James Hardie International Group Limited, as guarantor (filed as Exhibit 4.30 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |
| 4.31 | Deed of Amendment, Amended and Restated Final Funding Agreement, dated 19 December 2017, by and among James Hardie Industries plc, James Hardie 117 Pty Limited, The State of New South Wales and Asbestos Injuries Compensation Fund Limited in its capacity as trustee for each of the Compensation Fund (filed as Exhibit 4.31 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |
| 4.32 | Amendment to Sale and Purchase Agreement, dated 13 December 2017, by and among Xella International S.A., as seller, Platin 1391. GmbH (now known as James Hardie Germany GmbH) as purchaser, and James Hardie International Group Limited, as guarantor (filed as Exhibit 4.32 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |

| Exhibit Number | Exhibit Description |
|-----------------------|---|
| 4.33 | Second Amendment and Accession Agreement to the Sale and Purchase Agreement related to XI (DL) Holdings GmbH, dated 3 April 2018, by and among Xella International S.A., James Hardie Germany GmbH, James Hardie International Group Limited and James Hardie International Finance Designated Activity Company (filed as Exhibit 4.33 to the Company's Annual Report on Form 20-F filed on 22 May 2018 (Commission File 001-15240) and incorporated by reference herein) |
| 4.34* | James Hardie Industries plc 2020 Non-Executive Director Equity Plan |
| 8.1* | List of significant subsidiaries of James Hardie Industries plc |
| 12.1* | Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 12.2* | Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 13.1* | Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 15.1* | Consent of Ernst & Young LLP, independent registered public accounting firm |
| 15.2* | Consent of KPMG Actuarial |
| 101.INS* | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document) |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | Inline XBRL Taxonomy Extension Labels Linkbase Document |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and included as part of the Exhibit 101 Inline XBRL Document Set) |

* Filed herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Date: 18 May 2021

JAMES HARDIE INDUSTRIES plc
By: /s/ JACK TRUONG
Jack Truong
Chief Executive Officer

This Annual Report has been approved by the Board of Directors of James Hardie Industries plc.

Date: 18 May 2021

JAMES HARDIE INDUSTRIES plc
By: /s/ MICHAEL N. HAMMES
Michael N. Hammes
Chairman

Companies Act 2014

A PUBLIC LIMITED COMPANY

CONSTITUTION

-of-

JAMES HARDIE INDUSTRIES PUBLIC LIMITED COMPANY

MEMORANDUM OF ASSOCIATION

(as amended by all resolutions passed up to and including 14 August 2015)

1. The name of the company is James Hardie Industries public limited company.
2. The company is a public limited company deemed to be a PLC to which Part 17 of the Companies Act 2014 applies.
3. The objects for which the company is established are:
 - (i)
 - (a) to carry on the businesses of manufacturer, distributor, wholesaler, retailer, service provider, investor, designer, trader and any other business (except the issuing of policies of insurance) which may seem to the Company's board of directors capable of being conveniently carried on in connection with these objects or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property;
 - (b) to carry on the business of a holding company and to co-ordinate the administration, finances and activities of any subsidiary companies or associated companies, to do all lawful acts and things whatever that are necessary or convenient in carrying on the business of such a holding company and in particular to carry on in all its branches the business of a management services company, to act as managers and to direct or coordinate the management of other companies or of the business, property and estates of any company or person and to undertake and carry out all such services in connection therewith as may be deemed expedient by the Company's board of directors and to exercise its powers as a shareholder of other companies;

- (c) to borrow or raise or secure the payment of money (including money in a currency other than the currency of the State) in such manner as the Company shall think fit and in particular by the issue of shares, debentures, debenture stock, perpetual or otherwise, charged upon all or any of the Company's property, both present and future, including its uncalled capital and to purchase, redeem or pay off any such securities;
 - (d) to guarantee, indemnify, grant indemnities in respect of, enter into any suretyship or joint obligation, or otherwise support or secure, whether by personal covenant, indemnity or undertaking or by mortgaging, charging, pledging or granting a lien or other security over all or any part of the Company's property (both present and future) or by any one or more of such methods or any other method and whether in support of such guarantee or indemnity or suretyship or joint obligation or otherwise, on such terms and conditions as the Company's board of directors shall think fit, the payment of any debts or the performance or discharge of any contract, obligation or liability of any person or company (including, without prejudice to the generality of the foregoing, the payment of any capital, principal, dividends or interest on any stocks, shares, debentures, debenture stock, notes, bonds or other securities of any person, authority or company) including, without prejudice to the generality of the foregoing, any body corporate which is the Company's subsidiary as defined in the Companies Act 2014 and in any statutory modification or re-enactment thereof, or any other body corporate howsoever associated with the Company, in each case notwithstanding the fact that the Company may not receive any consideration, advantage or benefit, direct or indirect, from entering into any such guarantee or indemnity or suretyship or joint obligation or other arrangement or transaction contemplated herein.
- (ii) To purchase, acquire, develop, re-claim, improve, cultivate and work lands and hereditaments of any estate or interest whatsoever, and any rights, privileges or easements over or in respect thereof and erect and build thereon factories, houses, offices and other buildings and to hold, occupy, lease, mortgage, sell or otherwise deal with the same.
 - (iii) To lay out land for building purposes, and to build on, improve, let on building leases, advance money to persons building on and otherwise develop the same.
 - (iv) To acquire, improve, manage, work, develop, exercise all rights in respect of, lease, mortgage, sell, dispose of, turn to account and otherwise deal with property of all kinds, and in particular lands, buildings, concessions and patents.
 - (v) To purchase, take on lease, or otherwise acquire, any mines, mining rights, and metalliferous land in Ireland or elsewhere, and any interest therein and to explore, work, exercise, develop and turn to account the same.
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- (vi) To carry on the businesses of a holding, investment, estate and trust company and to raise money on such terms and conditions as may be thought desirable, and invest the amount thereof in or upon or otherwise acquire and hold shares, stocks, debentures, debenture stocks, bonds mortgages, obligations and securities of any kind issued or guaranteed by any public or private company, corporation or undertaking of whatever nature wherever situated or carrying on business, and shares, stocks, debentures, debenture stocks, bonds, obligations and other securities of Ireland or any other government or authority supreme, municipal, local or otherwise in any part of the world.
 - (vii) To perform any duty or duties imposed on the Company by or under any enactment and, to exercise any power conferred on the Company by or under any enactment.
 - (viii) To carry on all or any of the businesses aforesaid either as a separate business or as the principal business of the Company, and to carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated directly or indirectly to enhance the value of or render more profitable any of the company's property.
 - (ix) To incorporate or cause to be incorporated any one or more subsidiaries of the Company (within the meaning of the Companies Act 2014) for the purpose of carrying on any business.
 - (x) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on.
 - (xi) To apply for, purchase or otherwise acquire any patents, trade marks, brevets d'invention, licences, concessions and the like conferring any rights of any sort to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired.
 - (xii) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
 - (xiii) To purchase or otherwise acquire shares and securities of the Company or any company and to sell, hold, re-issue or otherwise deal with the same.
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- (xiv) To enter into any arrangements with any Governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
 - (xv) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit directors and ex-directors, employees or ex-employees of the Company or the dependents or connections of such persons and (without prejudice to the generality of the foregoing) to grant gratuities, pensions or allowances on retirement or death to or in respect of any such persons and including the establishment of director and employee equity schemes and share option schemes, enabling directors and employees of the Company or other persons aforesaid to become shareholders in the Company, or otherwise to participate in the profits of the Company upon such terms and in such manner as the Company thinks fit, and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object, or any other object whatsoever which the Company may think advisable.
 - (xvi) To establish and contribute to any scheme for the acquisition of shares in the Company for the benefit of the Company's employees and to lend or otherwise provide money for such schemes or the Company's employees or the employees of any of its subsidiary or associated bodies corporate to enable them to purchase shares or interests in shares of the Company.
 - (xvii) To establish any scheme or otherwise to provide for the purchase by or on behalf of customers of the Company of shares in the Company.
 - (xviii) To promote any company or companies for the purpose of acquiring all or any of the assets and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
 - (xix) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
 - (xx) To develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings and conveniences, letting on building leases or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
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- (xxi) To construct, maintain and alter any building or works necessary or convenient for any of the purposes of the Company.
 - (xxii) To invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined.
 - (xxiii) To lend and advance money or give credit to such persons or companies whether with or without security and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company; and to give guarantees or become security for any liabilities or obligations (present or future) of any persons or companies and generally to give any guarantees, indemnities and security on such terms and conditions as the Company may think fit.
 - (xxiv) To engage in currency exchange, interest rate and/or commodity or index linked transactions (whether in connection with or incidental to any other contract, undertaking or business entered into or carried on by the Company or whether as an independent object or activity) including, but not limited to, dealings in foreign currency, spot and forward rate exchange contracts, futures, options, forward rate agreements, swaps, caps, floors, collars, commodity or index linked swaps and any other foreign exchange, interest rate or commodity or index linked arrangements and such other instruments as are similar to or derive from any of the foregoing whether for the purpose of making a profit or avoiding a loss or managing a currency or interest rate exposure or any other purpose and to enter into any contract for and to exercise and enforce all rights and powers conferred by or incidental, directly or indirectly, to such transactions or termination of any such transactions.
 - (xxv) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares of the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
 - (xxvi) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
 - (xxvii) To undertake and execute any trusts of all and every nature (and without prejudice to the generality of the foregoing, whether commercial, charitable, political or social) the undertaking whereof may seem desirable and either gratuitously or otherwise.
 - (xxviii) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and including for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
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- (xxix) To adopt such means of making known the products and services of the Company as may seem expedient.
 - (xxx) To obtain any enactment for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
 - (xxxi) To procure the Company to be listed, registered or recognised in any country or place.
 - (xxxii) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any of the property and rights of the Company.
 - (xxxiii) To promote freedom of contract, and to resist, insure against, counteract and discourage interference therewith, to join any lawful federation, union or association or do any other lawful act or thing with a view to preventing or resisting directly or indirectly any interruption of or interference with the Company's or any other trade or business or providing or safeguarding against the same, or resisting or opposing any strike, movement or organisation, which may be thought detrimental to the interests of the Company or its employees and to subscribe to any association or fund for any such purposes.
 - (xxxiv) To grant bonuses to any person or persons who are or have been in the employment of the Company.
 - (xxxv) To grant, convey, transfer or otherwise dispose of any property or asset of the Company of whatever nature or tenure for such price, consideration, sum or other return whether equal to or less than the market value thereof and whether by way of gift or otherwise as the Directors shall deem fit and to grant any fee farm grant or lease or to enter into any agreement for letting or hire of any such property or assets for a rent or return equal to or less than the market or rack rent therefor or at no rent and subject to or free from covenants and restrictions as the Directors shall deem appropriate.
 - (xxxvi) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
 - (xxxvii) To convert into a public limited-liability company subject to obtaining all necessary consents and approvals as required by law.
 - (xxxviii) To distribute any of the property of the Company in specie among the members.
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(xxxix) To do anything which appears to the Company to be requisite, advantageous or incidental to, or which appears to the Company to facilitate, either directly or indirectly, the attainment of the above objects or any of them.

NOTE: It is hereby declared that the word “company” in this clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Ireland or elsewhere.

4. The liability of the members is limited.
5. The share capital of the Company is €1,180,000,000 divided into 2,000,000,000 shares of €0.59 each.
6. The shares forming the capital, increased or reduced, may be increased or reduced and be divided into such classes and issued with any special rights, privileges and conditions or with such qualifications as regards preference, dividend, capital, voting or other special incidents, and be held upon such terms as may be attached to such shares or as may from time to time be provided by the original or any substituted or amended articles of association of the Company for the time being, but so that where shares are issued with any preferential or special rights, such rights shall not be alterable otherwise than pursuant to the provisions of the Company’s articles of association for the time being.

Companies Act 2014

A PUBLIC LIMITED COMPANY

ARTICLES OF ASSOCIATION

of

JAMES HARDIE INDUSTRIES PUBLIC LIMITED COMPANY

(as amended by all resolutions passed up to and including 5 November 2020)

PART I - PRELIMINARY

1. Interpretation

- a. The provisions set out in these articles of association shall constitute the whole of the regulations applicable to the Company and (except for Sections 83 and 84 of the Act, which shall apply to the Company) no “optional provision” as defined by Section 1007(2) of the Act shall apply to the Company.

- b. In these Articles the following expressions shall have the following meanings:

“**Act**” means the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force;

“**Acts**” means the Act and all statutory instruments which are to be read as one with, or construed or read together as one with, the Act;

“**address**” includes any number or address used for the purposes of communication by way of electronic mail or other electronic communication;

“**advanced electronic signature**” has the meaning given to that expression in the Electronic Commerce Act, 2000;

“**ASX**” ASX Limited or Australian Securities Exchange as appropriate;

“these Articles” these articles of association as from time to time and for the time being in force;

“ASX Settlement Rules” the operating rules of the settlement facility provided by ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532);

“the Auditors” the independent external auditors for the time being of the Company;

“Business Day” has the meaning given in the Listing Rules;

“Chairman” means the person holding the office of Chairman of the board of Directors for the time being;

“CHES” means the Clearing House Electronic Sub-Register System and has the meaning given to CHES in the ASX Settlement Rules;

“Clear Days” in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“Company” means James Hardie Industries public limited company;

“CUFS” stands for CHES Units of Foreign Securities and has the meaning given to CUFS in the ASX Settlement Rules;

“CUFS Holder” a record owner of CUFS according to the terms and conditions of the ASX Settlement Rules;

“the Directors” the Directors for the time being of the Company or any of them acting as the board of Directors of the Company;

“Dispose” has the meaning given in the Listing Rules;

“electronic communication” has the meaning given to that word in the Electronic Commerce Act, 2000;

“electronic signature” has the meaning given to that word in the Electronic Commerce Act, 2000;

“the Group” the Company and its subsidiaries from time to time and for the time being;

“the Holder” in relation to any share, the member whose name is entered in the Register as the holder of the share or, where the context permits, the members whose names are entered in the Register as the joint holders of shares;

“Holding Lock” has the meaning given in the Listing Rules;

“Issuer Sponsored Sub-register” has the meaning given in the Listing Rules;

“the Listing Rules” means the listing rules of ASX and any other rules of ASX which are applicable to the Company while the Company is Officially Listed, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

“Marketable Parcel” has the meaning given in the Listing Rules;

“Non-marketable Parcel” has the meaning given in the Listing Rules;

“the NYSE” the New York Stock Exchange;

“Officially Listed” means admitted to the official list of ASX;

“Proper ASTC Transfer” has the meaning given in the *Australian Corporations Regulations 2001*;

“qualified certificate” has the meaning given to that word in the Electronic Commerce Act, 2000;

“Record Date” has the meaning given in the Listing Rules;

“the Register” the register of members to be kept as required by the Acts;

“Restricted Securities” has the meaning given in the Listing Rules;

“the Seal” the common seal of the Company or (where relevant) the official securities seal kept by the Company pursuant to the Acts;

“Securities” has the meaning given in the Listing Rules;

“Security Holder” has the meaning given in the Listing Rules;

“the Secretary” the Secretary of the Company and any person appointed to perform the duties of the Secretary of the Company;

“the State” Ireland exclusive of Northern Ireland;

“treasury shares” shares in the Company which have been redeemed or purchased by the Company, as are being held by the Company, as treasury shares in accordance with the Acts;

“Voting Exclusion Statement” has the meaning given in the Listing Rules;

“warrants to subscribe” a warrant or certificate or similar document indicating the right of the registered holder thereof (other than under a Director and employee equity or share option scheme for employees) to subscribe for shares in the Company.

- c. Expressions in these Articles referring to writing shall be construed, unless the contrary intention appears, as including references to printing, lithography, photography and any other modes or representing or reproducing words in a visible form except as provided in these Articles and/or where it constitutes writing in electronic form sent to the Company, the Company has agreed to its receipt in such form. Expressions in these Articles referring to execution of any document shall include any mode of execution whether under seal or under hand or any mode of electronic signature as shall be approved by the Directors. Expressions in these Articles referring to receipt of any electronic communications shall, unless the contrary intention appears, be limited to receipt in such manner as the Company has approved.
 - d. Unless the contrary intention appears, the use of the word “address” in these Articles in relation to electronic communications includes any number or address used for the purpose of such communications.
 - e. Unless specifically defined herein or the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Acts but excluding any statutory modification thereof not in force when these Articles become binding on the Company.
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- f. The headings and captions included in these Articles are inserted for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of these Articles.
- g. References in these Articles to any enactment or any section or any regulation or provision thereof shall mean such enactment, section or provision as the same may be amended and may be from time to time and for the time being in force.
- h. In these Articles the masculine gender shall include the feminine and neuter, and vice versa, and the singular number shall include the plural, and vice versa, and words importing persons shall include firms or companies.
- i. References in these Articles to Euro or cent or € or c shall mean the currency for the time being of the State.

2. **Consistency with Listing Rules**

- (a) Subject only to the Acts and applicable law:
 - (i) despite anything contained in these Articles, if the Listing Rules prohibit an act being done, the act must not be done;
 - (ii) nothing contained in these Articles prevents an act being done that the Listing Rules require to be done; and
 - (iii) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done as the case may be.
 - (b) Upon the Directors becoming aware that the Listing Rules:
 - (i) require these Articles to contain a provision which they do not contain; or
 - (ii) require these Articles not to contain a provision which they contain,and being satisfied that any such requirement is permissible under the Acts and law, the Directors shall give notice at the next annual general meeting of a special resolution to alter these Articles so that the Articles will conform with the requirements of the Listing Rules.
 - (c) Upon the Directors becoming aware that any provision of these Articles is or will become inconsistent with the Listing Rules, the Directors shall give notice at the next annual general meeting of a special resolution to amend the relevant provision of these Articles to overcome the inconsistency (to the extent that the Directors are satisfied that any such amendment is permissible under the Acts and law).
 - (d) If there is a conflict between the Articles, the Listing Rules or the ASX Settlement Rules and the Acts and law, the Acts and law will prevail.
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- (e) Unless a contrary intention appears, an expression in these Articles which is defined by any provision of the Listing Rules or the ASX Settlement Rules has the same meaning as in that provision.
- (f) If the Company has its Securities approved under the ASX Settlement Rules or operates an Issuer Sponsored Sub-register, it must comply with the Listing Rules and the ASX Settlement Rules including any requirements of an applicable sub-register system.

3. **Registered Office**

The registered office of the Company shall be located in Dublin, Ireland as shall the Company's head office, being the place where the Company shall be managed and controlled.

PART II - SHARE CAPITAL AND RIGHTS

4. **Share capital**

The share capital of the Company is €1,180,000,000 divided into 2,000,000,000 shares of €0.59 each.

5. **Rights of shares on issue**

Without prejudice to any special rights conferred on the Holders of any existing shares or class of shares and subject to the provisions of the Acts, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

6. **Redeemable shares, Preference Shares and Preference Securities**

- (a) If the Company agrees to acquire a share or a beneficial interest in a share, then by virtue of this Article 6(a) and unless the Company elects to treat the acquisition as a purchase, it shall be a term of such contract that:
 - (i) such share shall become redeemable by the Company and the holder of such share on, and from the time of, the existence or creation of such agreement, transaction or trade between the Company and any third party pursuant to which the Company acquires or will acquire shares or a beneficial interest in shares; and
 - (ii) the agreement between the Company and the third party shall constitute the exercise of the right of redemption.

In these circumstances, the acquisition of such shares by the Company shall constitute the redemption of a redeemable share in accordance with the Acts.

- (b) Subject to the provisions of the Acts, any shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company may by special resolution determine. In addition and subject as aforesaid, the Company is hereby
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authorised to redeem (on such terms as may be contained in, or be determined pursuant to the provisions of, these Articles or a special resolution of the Company) any of its shares which have been converted into redeemable shares.

- (c) The Company may cancel any shares so redeemed or may hold them as treasury shares and re-issue such treasury shares as shares of any class or classes or cancel them.
- (d) If any of the Securities of the Company are preference shares or preference securities, the Company must comply with Listing Rules 6.3 to 6.7.

7. Variation of rights

- (a) Whenever the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the Holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the Holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting or at an adjourned meeting, shall be 5% of the issued share capital of the class in question.
- (b) The rights conferred upon the Holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these Articles or the terms of the issue of the shares of that class, be deemed to be varied by a purchase or redemption by the Company of its own shares or by the creation or issue of further shares ranking *pari passu* therewith or subordinate thereto.

8. Trusts not recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provide) any other rights in respect of any share except an absolute right to the entirety thereof in the Holder; this shall not preclude the Company from requiring the members or a transferee of shares to furnish the Company with information as to the beneficial ownership of any share when such information is reasonably required by the Company. In addition, unless required to do so by the ASX Settlement Rules or applicable law, the Company need not record on any register and is not required to recognise any equitable, contingent, future or partial interest in any of its CUFS or any other right in respect of any of its CUFS except an absolute right of legal ownership in the registered holder.

9. Allotment of shares

- (a) Subject to the provisions of the Acts relating to authority, pre-emption or otherwise in regard to the allotment, issue of, or the grant of options over, or other rights to subscribe for, new shares and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares (including treasury shares) for the time being in the capital of the Company shall be at the disposal of the Directors and (subject to the provisions of the Acts) they may allot, offer, grant options over or otherwise dispose of them to such persons (including any Director) on such terms and conditions and at such times as they may consider to be in the best interests of the Company, but so that no share shall be issued at a discount to their par value and so that, in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than one-quarter of the nominal amount of the share and the whole of any premium thereon.
 - (b) Without prejudice to the generality of the powers conferred on the Directors by the other paragraphs of this Article, the Directors may grant from time to time options (or any other interest in the capital of the Company) to subscribe for the unallotted shares in the capital of the Company to persons providing services to, or in the service or employment of, the Company or any subsidiary or associated company of the Company (including Directors holding executive offices) on such terms and subject to such conditions as may be approved from time to time by the Directors or by any committee thereof appointed by the Directors for the purpose of such approval.
 - (c) The Directors are, for the purposes of the Acts generally and unconditionally authorised to exercise all powers of the Company to allot and issue relevant securities (as defined by Section 1021 of the Act) up to the amount of Company's authorised share capital and to allot and issue any shares purchased by the Company pursuant to the provisions of the Acts and held as treasury shares and this authority shall expire five years from the date of adoption of these articles of association.
 - (d) Where the Directors are authorised to allot relevant securities in accordance with Section 1021 of the Act, the Company may at any time and from time to time by resolution of the Directors resolve to allot equity securities (as defined by Section 1023 the Act) for cash pursuant to their authority to allot relevant securities as if sub-section (1) of Section 1022 of the Act did not apply to any such allotment provided that this power shall be limited to:-
 - (i) the allotment of equity securities in connection with any rights issue in favour of ordinary shareholders (other than those holders with registered addresses outside Australia or the United States of America to whom an offer would, in the opinion of the Directors, be impractical or unlawful in any jurisdiction) and/or any persons having a right to subscribe for or convert securities into ordinary shares in the capital of the Company (including without limitation any holders of options under any of the Company's director and employee equity or share option schemes for the time being) where the equity securities respectively attributable to the interests of such ordinary shareholders
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or such persons are proportionate (as nearly as may be) to the respective number of ordinary shares held by them or for which they are entitled to subscribe or convert into subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any regulatory requirements, legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise;

- (ii) the allotment of equity securities (other than pursuant to any such issue as referred to in paragraph (i) above) up to a maximum aggregate number which is equal to the amount of Company's authorised share capital; and
- (iii) such power shall continue for as long as the Directors are authorised to allot relevant securities in accordance with Section 1021 of the Act.

(e) The Directors shall, in allotting equity securities (as defined by the Listing Rules), comply with the provisions of the Listing Rules.

10. Payment of commission

The Company may exercise the powers of paying commissions conferred by the Acts. Subject to the provisions of the Listing Rules and the Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. On any issue of shares the Company may also pay such brokerage as may be lawful.

11. Payment by instalments

If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment when due shall be paid to the Company by the person who for the time being is the Holder of the share.

12. Restricted Securities

If any Securities of the Company are classified as Restricted Securities under the Listing Rules:

- (a) during the escrow period set by the restriction agreement required by ASX in relation to those Securities:
 - (i) the Security Holder who holds the Restricted Securities may not Dispose of them; and
 - (ii) the Company must not register a transfer of the Restricted Securities or otherwise acknowledge a disposal of them, except as permitted by the Listing Rules or ASX; and
- (b) if there is a breach of the Listing Rules or of the relevant restriction agreement in relation to a Restricted Security, then while the breach continues, the holding of that security does not entitle a Security Holder:

- (i) to be present, speak or vote at, or be counted in the quorum for, a meeting of Security Holders; or
- (ii) to receive any dividend or other distribution.

PART III - SHARE CERTIFICATES

13. Issue of certificates

Except where the terms of issue provide otherwise, every member shall be entitled without payment to receive within two months after allotment or lodgement of a transfer to him of the shares in respect of which he is so registered (or within such other period as the conditions of issue shall provide) one certificate for all the shares of each class held by him or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine provided that the Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint Holder shall be a sufficient delivery to all of them. The Company shall not be bound to register more than four persons as joint Holders of any share (except in the case of executors or trustees of a deceased member). Every certificate shall be sealed with the Seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon.

14. Balance and exchange certificates

- (a) Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and the new certificate for the balance of such shares shall be issued in lieu without charge.
- (b) Any two or more certificates representing shares of any one class held by any member at his request may be cancelled and a single new certificate for such shares issued in lieu, without charge unless the Directors otherwise determine. If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may comply, if they think fit, with such request.

15. Replacement of certificates

If a share certificate is defaced, worn out, lost, stolen or destroyed, it may be replaced on such terms (if any) as to evidence and indemnity and payment of any exceptional expenses incurred by the Company in investigating evidence or in relation to any indemnity as the Directors may determine, but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

PART IV - LIEN ON SHARES

16. Extent of lien

The Company shall have a first and paramount lien on every share (not being a fully paid share) for:

- (a) all due and unpaid calls and instalments in respect of that share; and
- (b) all money which the Company is required by law to pay, and has paid, in respect of that share.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

The Directors, at any time, may declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all distributions in respect of that share, including dividends.

17. **Power of sale**

The Company may sell in such manner as the Directors determine any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) Clear Days after notice demanding payment, and stating that if the notice is not complied with the share may be sold, has been given to the Holder of the share or to the person entitled to it by reason of the death or bankruptcy of the Holder.

18. **Power to effect transfer**

To give effect to a sale, the Directors may authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser. The transferee shall be entered in the Register as the Holder of the share comprised in any such transfer and he shall not be bound to see to the application of the purchase moneys nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the sale, and after the name of the transferee has been entered in the Register, the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

19. **Proceeds of sale**

The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) shall be paid to the person entitled to the shares at the date of the sale.

PART V - CALLS ON SHARES AND FORFEITURE

20. **Making of calls**

- (a) Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their shares and each member
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(subject to receiving at least fourteen (14) Clear Days' notice (or any longer period required by the Listing Rules) specifying when and where payment is to be made) shall pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be revoked before receipt by the Company of a sum due thereunder, in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- (b) While the Company is Officially Listed, it must comply with the requirements of the Listing Rules and the ASX Settlement Rules in respect of the making of calls and notice given in relation to those calls.

21. **Time of call**

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

22. **Liability of joint Holders**

The joint Holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23. **Interest on calls**

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Acts) but the Directors may waive payment of the interest wholly or in part.

24. **Instalments treated as calls**

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

25. **Power to differentiate**

Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the Holders in the amounts and times of payment of calls on their shares.

26. **Interest on moneys advanced**

The Directors, if they think fit, may receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may pay (until the same would, but for

such advance, become payable) interest at such rate, not exceeding (unless the Company in general meeting otherwise directs) fifteen per cent. per annum, as may be agreed upon between the Directors and the member paying such sum in advance.

27. Notice requiring payment

- (a) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors, at any time thereafter during such times as any part of the call or instalment remains unpaid, may serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.
- (b) The notice shall name a further day (not earlier than the expiration of fourteen (14) Clear Days (or any earlier or longer period required by the Listing Rules) from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not complied with then, at any time thereafter before the payment required by the notice has been made, any shares in respect of which the notice has been given may be forfeited by a resolution of the Directors to that effect. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
- (d) On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the Holder, or one of the Holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued, in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

28. Power of disposal

Subject to the requirements of the Listing Rules and ASX Settlement Rules in respect of forfeited shares, a forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled, on such terms as the Directors think fit. Where for the purposes of its disposal such a share is to be transferred to any person, the Directors may authorise some person to execute an instrument of transfer of the share to that person. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and thereupon he shall be registered as the Holder of the share and shall not be bound to see to the

application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

29. **Effect of forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but nevertheless shall remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, without any deduction or allowance for the value of the shares at the time of forfeiture but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

30. **Statutory declaration**

A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

31. **Payment of sums due on share issues**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

32. **Surrender of shares**

The Directors may accept the surrender of any share which the Directors have resolved to have been forfeited upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it has been forfeited.

PART VI - TRANSFER OF SHARES

33. **Form of instrument of transfer**

Subject to such of the restrictions of these Articles and to such of the conditions of issue as may be applicable, the shares of any member may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve.

34. **Execution of instrument of transfer**

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the Holder of the share until the name of the transferee is entered in the Register in respect thereof.

35. **Refusal to register transfers**

(a) The Directors in their absolute discretion and without assigning any reason therefor may decline to register:

- (i) any transfer of a share which is not fully paid; or
- (ii) any transfer of a share to or by a minor or person of unsound mind,

but this shall not apply to a transfer of such a share resulting from a sale of the share through a stock exchange on which the share is quoted, where permitted by the Acts, unless Article 41 applies.

(b) The Directors may decline to recognise any instrument of transfer unless:

- (i) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) the instrument of transfer is in respect of one class of share only;
- (iii) the instrument of transfer is in favour of not more than four transferees; and
- (iv) it is lodged at the registered office or at such other place as the Directors may appoint.

but this shall not apply to a transfer of such a share resulting from a sale of the share through a stock exchange on which the share is quoted, where permitted by the Acts, unless Article 41 applies.

36. **Procedure on refusal**

If the Directors refuse to register a transfer then, within two months after the date on which the transfer was lodged with the Company, they shall send to the transferee notice of the refusal.

37. **Closing of transfer books**

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in each year) as the Directors may determine.

38. **Absence of registration fees**

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share and the Directors shall exercise their discretion under Section 95(2)(a) of the Act to this effect.

39. **Retention of transfer instruments**

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

40. **Renunciation of allotment**

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any shares by the allottee in favour of some other person.

41. **Restrictions on Transfer**

The Company may apply or ask CHESS to apply a Holding Lock to prevent a transfer or refuse to register a paper-based transfer document in the circumstances listed in Listing Rule 8.10.1.

PART VII - TRANSMISSION OF SHARES

42. **Death of a member**

If a member dies the survivor or survivors where he was a joint Holder, and his personal representatives where he was a sole Holder or the only survivor of joint Holders, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

43. **Transmission on death or bankruptcy**

A person becoming entitled to a share in consequence of the death or bankruptcy of a member may elect, upon such evidence being produced as the Directors may properly require, either to become the Holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the Holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

44. **Rights before registration**

A person becoming entitled to a share by reason of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall have the rights to which he would be entitled if he were the Holder of the share, except that, before being registered as the Holder of the share, he shall not be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the Holders of any class of shares in the Company, so, however, that the Directors, at any time, may give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within ninety days, the Directors thereupon may withhold payment of all dividends, bonuses or other moneys

payable in respect of the share until the requirements of the notice have been complied with.

PART VIII - ALTERATION OF SHARE CAPITAL

45. Increase of capital

- (a) Subject to the Listing Rules, the Company from time to time by ordinary resolution may increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
- (b) Subject to the provisions of the Acts and the Listing Rules, the new shares shall be issued to such persons, upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and, if no direction be given, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company and with a special, or without any, right of voting.
- (c) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the pre-existing ordinary capital and shall be subject to the provisions herein contained with reference to calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

46. Consolidation, sub-division and cancellation of capital

The Company, by ordinary resolution, may:

- (a) consolidate and divide all or any of its share capital into shares of larger amount;
- (b) subject to the Acts, subdivide its shares, or any of them, into shares of smaller amount, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (and so that the resolution whereby any share is sub-divided may determine that, as between the Holders of the shares resulting from such sub-division, one or more of the shares may have, as compared with the others, any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares); or
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled.

47. Fractions on consolidation

Subject to the provisions of these Articles, whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may

sell, on behalf of those members, the shares representing the fractions for the best price reasonably obtainable to any person and distribute the proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

48. Purchase of own shares

Subject to and in accordance with the provisions of the Acts and the Listing Rules and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever and cancelled or held by the Company as treasury shares:

- (a) In accordance with Section 1075 of the Act the Company shall not make an off-market purchase of shares in the Company unless the purchase has first been authorised by a special resolution of the Company pre-approving a specific contract to purchase the shares; and
- (b) In accordance with Section 1074 of the Act the Company shall not make a market purchase or overseas market purchase of shares in the Company unless the purchase has first been authorised by an ordinary resolution of the Company giving general authority for the purchase of said shares and such authority should specify the maximum number of shares authorised to be acquired and determine both the maximum and minimum prices which may be paid for those shares.

49. Reduction of capital

In accordance with Section 84 of the 2014 Act, the Company, by special resolution, may reduce its share capital, any capital redemption reserve fund, any share premium account or any undenominated capital in any manner and with, and subject to, any incident authorised, and consent required, by law.

PART IX - GENERAL MEETINGS

50. The Location of Annual and other General Meetings

Subject to the Acts, any general meeting may be held outside of Ireland.

51. Annual general meetings

The Company shall hold in each calendar year a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. The Company will announce

the date of the annual general meeting no less than thirty five (35) Business Days before such annual general meeting is due to be held.

52. Extraordinary general meetings

All general meetings other than annual general meetings shall be called extraordinary general meetings.

53. Convening and putting items on the agenda of general meetings

- (a) The Directors may convene general meetings.
- (b) One or more members who alone or together hold 10% of the Company's issued share capital may request that an item be placed on the agenda of any general meeting, provided that each such item is accompanied by stated grounds justifying its inclusion or a draft resolution, together not to exceed 1,000 words, to be adopted at such general meeting.
- (c) A request by a member under Article 53(b) shall be received by the Company in:
 - (i) hardcopy form; or
 - (ii) electronic form,at such postal or email address as has been specified by the Company for that purpose in:
 - (A) the announcement of the intention to convene an annual general meeting in accordance with Article 51; or
 - (B) the announcement of the intention to convene an extraordinary general meeting in accordance with Article 55(a),at least thirty (30) Business Days before the general meeting to which it relates.
- (d) A request by a member under Article 53(b) shall be declined where:
 - (i) The form or content of the request is contrary to the Company's Memorandum or Articles of Association, any provision of the Acts, any other enactment or the Listing Rules; or
 - (ii) The procedure and time limits set out in this Article have not been complied with.

54. Class meetings

- (a) At any time when the Company has two or more classes of shares, every decision by the general meeting shall be subject to a separate vote (to be taken
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by a poll) by each class of shareholders whose class rights are affected thereby.

- (b) All provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:
 - (i) the necessary quorum shall be one or more persons holding or representing by proxy at least 5% in nominal value of the issued shares of the class or, at any adjourned meeting of such class, at least 5% in nominal value of the issued shares of the class present in person or by proxy, shall be deemed to constitute a meeting; and
 - (ii) any Holder of shares of the class present in person or by proxy may demand a poll; and
 - (iii) on a poll, each Holder of shares of the class shall have one vote in respect of every share of the class held by him.

55. Notice of general meetings

- (a) Subject to the provisions of the Acts allowing a general meeting to be called by shorter notice, an annual general meeting and an extraordinary general meeting shall be called by at least twenty-one Clear Days' notice. The Company will announce the intention to call an extraordinary general meeting no less than thirty five (35) Business Days before such extraordinary general meeting is due to be held, save in exceptional circumstances where the Directors resolve that it is in the Company's interests to issue notice convening a general meeting forthwith and without giving such notice of the intention to convene such general meeting.
- (b) Any notice convening a general meeting shall specify the time and place of the meeting and, in the case of special business, the general nature of that business and, in reasonable prominence, that a member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his place and that proxy need not be a member of the Company. It shall also give particulars of any Directors who are to retire by rotation or otherwise at the meeting and of any persons who are recommended by the Directors for appointment or re-appointment as Directors at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose them for appointment or re-appointment as Directors at the meeting. Subject to any restrictions imposed on any shares, the notice shall be given to all the members and to the Directors, the Auditors and to any other person to whom the Company is required to give notice under the Listing Rules.
- (c) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

56. Means of Holding of General Meetings

- (a) Subject to the provisions of the Acts concerning annual general meetings, all general meetings (including annual, extraordinary and class meetings of the members of the Company) may be conducted by the use of a webcast, conference telephone or any other type of electronic means provided that the members (whether present in person, by proxy or by authorised representative), other persons entitled to attend such meetings and the Auditors have been notified of the convening of the meeting and the availability of the webcast, conference telephone or other type of electronic means for the meeting and, if present at the meeting as hereinafter provided, can hear and contribute to the meeting. Such participation in a meeting shall constitute presence and attendance in person at the meeting and the persons in attendance may be situated in any part of the world for any such meeting.
- (b) The Directors may resolve to enable persons entitled to attend a general meeting of the Company or of any class of members of the Company to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The members present at any such satellite meeting place in person, by proxy or by authorised representative and entitled to vote shall be counted in the quorum for, and shall be entitled to vote at, the general meeting in question if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:
 - (i) communicate simultaneously and instantaneously with the persons present at the other meeting place or places, whether by the use of microphones, loud-speakers, audio-visual or other communications equipment or facilities; and
 - (ii) have access to all documents which are required by the Acts and these Articles to be made available at the meeting.

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place. If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place are or become inadequate for the purposes referred to above, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.

57. **Record Date**

Subject to any waiver that may be granted by the ASX, the Company must comply with the Listing Rules and the ASX Settlement Rules in settling any Record Date.

PART X - PROCEEDINGS AT GENERAL MEETINGS

58. Quorum for general meetings

- (a) No business shall be transacted at any general meeting unless a quorum is present. One or more members present in person, by proxy or by authorised representative holding at least 5% of the issued shares of the Company entitled to vote at the meeting in question shall be a quorum.
- (b) If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the Directors may determine. If at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

59. Special business

All business shall be deemed special that is transacted at an extraordinary general meeting. All business that is transacted at an annual general meeting shall also be deemed special, with the exception of:

- (a) the consideration of the Company's statutory financial statements and the report of the Directors and the report of the Auditors on those statements and that report;
- (b) the review by the members of the Company's affairs;
- (c) the declaration of a dividend (if any) of an amount not exceeding the amount recommended by the Directors;
- (d) the election of Directors in the place of those retiring (whether by rotation or otherwise);
- (e) (subject to Sections 380 and 382 to 385 of the Act) the appointment or re-appointment of Auditors; and
- (f) the authorisation of the Directors to approve the remuneration of the Auditors.

60. Chairman of general meetings

The Chairman of the board of Directors or, in his absence, the Deputy Chairman (if any) or, in his absence, some other Director nominated by the Directors, shall preside as chairman at every general meeting of the Company. If at any general meeting none of such persons shall be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the Directors present shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he or she shall be chairman.

61. **Directors' and Auditors' and Advisors' right to attend general meetings**

A Director shall be entitled, notwithstanding that he is not a member, to attend and speak at any general meeting and at any separate meeting of the Holders of any class of shares in the Company. The Auditors shall be entitled to attend any general meeting and to be heard on any part of the business of the meeting which concerns them as the Auditors. Advisors where invited to attend a general meeting by the Directors, shall be entitled to attend such general meeting.

62. **Adjournment of general meetings**

The chairman, with the consent of a meeting at which a quorum is present, may (and if so directed by the meeting, shall) adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for fourteen days or more or indefinitely, at least seven Clear Days' notice shall be given specifying the time and meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

63. **Determination of resolutions**

At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.

64. **Taking of a poll**

A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was held.

65. **Votes of members**

Votes may be given either personally or by proxy or a duly authorised representative of a corporate member. Subject to any rights or restrictions for the time being attached to any class or classes of shares every member present in person or by proxy or a duly authorised representative of a corporate member shall have one vote for every share carrying voting rights of which he is the Holder. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he or his proxy or proxies uses in the same way.

66. **Chairman's casting vote**

Where there is an equality of votes on a poll, the chairman of the meeting at which poll is held shall be entitled to a casting vote in addition to any other vote he may have.

67. **Voting by joint Holders**

Where there are joint Holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, in respect of such share shall be accepted to the exclusion of the votes of the other joint Holders; and for this purpose seniority shall be determined by the order in which the names of the Holders stand in the Register in respect of the share.

68. **Voting by incapacitated Holders**

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction (whether in the State or elsewhere) in matters concerning mental disorder, may vote, on a poll, by his committee, receiver, guardian or other person appointed by that court and any such committee, receiver, guardian or other person may vote by proxy on a poll. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be received at the Registered Office or at such other address as is specified in accordance with these Articles for the receipt of appointments of proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

69. **Default in payment of calls**

Unless the Directors otherwise determine, no member shall be entitled to vote at any general meeting or any separate meeting of the Holders of any class of shares in the Company, either in person or by proxy, or to exercise any privilege as a member in respect of any share held by him unless all moneys then payable by him in respect of that share have been paid.

70. **Restriction on voting by Company and its subsidiaries**

No votes may be cast in the general meeting in respect of any share if:

- (i) the depositary receipt for such share; or
- (ii) the CUFS issued in respect of such share,

is held by the Company or by a subsidiary of the Company.

71. **Restriction of voting rights by Holders**

- (a) If at any time the Directors shall determine that a Specified Event (as defined in paragraph (f)) shall have occurred in relation to any share or shares the Directors may serve a notice to such effect on the Holder or Holders thereof. Upon the service of any such notice (in these Articles referred to as a “**Restriction Notice**”) no Holder or Holders of the share or shares specified in such Restriction Notice shall be entitled, for so long as such Restriction Notice shall remain in force, to attend or vote at any general meeting or either personally or by proxy.
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- (b) A Restriction Notice shall be cancelled by the Directors as soon as reasonably practicable, but in any event not later than forty-eight hours, after the Holder or Holders concerned shall have remedied the default by virtue of which the Specified Event shall have occurred. A Restriction Notice shall automatically cease to have effect in respect of any share transferred upon registration of the relevant transfer provided that a Restriction Notice shall not cease to have effect in respect of any transfer where no change in the beneficial ownership of the share shall occur and for this purpose it shall be assumed that no such change has occurred where a transfer form in respect of the share is presented for registration having been stamped at a reduced rate of stamp duty by virtue of the transferor or transferee claiming to be entitled to such reduced rate as a result of the transfer being one where no beneficial interest passes.
- (c) The Directors shall cause a notation to be made in the Register against the name of any Holder or Holders in respect of whom a Restriction Notice shall have been served indicating the number of shares specified in such Restriction Notice and shall cause such notation to be deleted upon cancellation or cesser of such Restriction Notice.
- (d) Any determination of the Directors and any notice served by them pursuant to the provisions of this Article shall be conclusive as against the Holder or Holders of any share and the validity of any notice served by the Directors in pursuance of this Article shall not be questioned by any person.
- (e) If, while any Restriction Notice shall remain in force in respect of any Holder or Holders of any shares, such Holder or Holders shall be issued with any further shares as a result of such Holder or Holders not renouncing any allotment of shares made to him or them pursuant to a capitalisation issue under Part XXII of these Articles, the Restriction Notice shall be deemed also to apply to such Holder or Holders in respect of such further shares on the same terms and conditions as were applicable to the said Holder or Holders immediately prior to such issue of further shares.
- (f) For the purpose of these Articles the expression “**Specified Event**” in relation to any share shall mean the failure by the Holder or Holders thereof to pay any call or instalment of a call when such a call is due and payable.

72. Voting Exclusion Statements

If, under the Listing Rules, a notice of meeting contains a Voting Exclusion Statement, any votes cast on the resolution by the named person (or class of person) excluded from voting or an associate of that person or those persons must be disregarded.

73. Time for objection to voting

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at such meeting shall be valid. Any such objection made in due time shall

be referred to the chairman of the meeting whose decision shall be final and conclusive.

74. Appointment of proxy

- (a) Every member entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his behalf and where a member holds more than one share carrying voting rights the member may appoint more than one proxy to attend, speak and vote at the same meeting the shares in respect of which the proxy has been so appointed. The appointment of a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be signed by or on behalf of the appointor, provided that such form as required by the Listing Rules is used. The signature on such appointment need not be witnessed. A body corporate may sign a form of proxy under its common seal or under the hand of a duly authorised officer thereof or in such other manner as the Directors may approve. A proxy need not be a member of the Company. The appointment of a proxy in electronic form shall only be effective in such manner as the Directors may approve.
- (b) Without limiting paragraph (a), the Directors may from time to time permit appointments of a proxy to be made by means of an electronic or internet communication or facility and may in a similar manner permit supplements to, or amendments or revocations of, any such electronic or internet communication or facility to be made. The Directors may in addition prescribe the method of determining the time at which any such electronic or internet communication or facility is to be treated as received by the Company. The Directors may treat any such electronic or internet communication or facility which purports to be or is expressed to be sent on behalf of a member as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that member.

75. Bodies corporate acting by representatives at meetings

Any body corporate which is a member of the Company may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of members of the Company and any person so authorised shall be entitled to exercise the same powers on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual member of the Company. Where a member appoints more than one representative in relation to a general meeting each representative must be appointed to exercise the rights attaching to a different share or shares held by the member.

76. Receipt of proxy appointment

Where the appointment of a proxy and any authority under which it is signed or a copy, certified notarially or in some other way approved by the Directors is to be received by the Company:

- (a) in physical form it shall be deposited at the registered office or (at the option of the member) at such other place or places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting; or
- (b) in electronic form, it may be so received where an address has been specified by the Company for the purpose of receiving electronic communications:
 - (i) in the notice convening the meeting; or
 - (ii) in any appointment of proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

provided that it is so received by the Company not less than forty-eight hours (48) (or such lesser time as the Directors specify) before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid or, in the case of a meeting which is adjourned to, or a poll which is to be taken on, a date which is less than seven days after the date of the meeting which was adjourned or at which the poll was declared, it shall be sufficient if the appointment of proxy and any such authority and certification thereof as aforesaid is so received by the Company at the commencement of the adjourned meeting or the taking of the poll. An appointment of proxy relating to more than one meeting (including any adjournment thereof) having once been so received for the purposes of any meeting shall not require to be delivered, deposited or received again for the purposes of any subsequent meeting to which it relates.

77. Effect of proxy appointments

Receipt by the Company of an appointment of proxy in respect of a meeting shall not preclude a member from attending and voting at the meeting or at any adjournment thereof. An appointment proxy shall be valid, unless the contrary is stated therein, for any adjournment of the meeting as for the meeting to which it relates.

78. Effect of revocation of proxy or of authorisation

- (a) A vote given in accordance with the terms of an appointment of proxy or a resolution authorising a representative to act on behalf of a body corporate shall be valid notwithstanding the death or insanity of the principal, or the revocation of the appointment of proxy or of the authority under which the proxy was appointed or of the resolution authorising the representative to act or transfer of the share in respect of which the proxy was appointed or the authorisation of the representative to act was given, provided that no intimation in writing (whether in electronic form or otherwise) of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at

which the appointment of proxy is used or at which the representative acts provided however, that where such intimation is given in electronic form it shall have been received by the Company before the commencement of the meeting.

- (b) The Directors may send, at the expense of the Company, by post, electronic mail or otherwise, to the members forms for the appointment of a proxy (with or without stamped envelopes for their return) for use at any general meeting or at any class meeting, either in blank or nominating any one or more of the Directors or any other persons in the alternative. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy, but the accidental omission to issue such invitations to, or the non-receipt of such invitations by, any member shall not invalidate the proceedings at any such meeting.

PART XI – COVENANTS WITH MEMBERS WHERE CUFS ARE IN ISSUE

Articles 79 to 95 shall only apply where CUFS are quoted on ASX and are intended to be for the benefit of the holder of CUFS but, without prejudice to any other contractual rights of the CUFS holders, these Articles shall be enforceable under these Articles only as against the Company by the registered member of the shares in respect of which CUFS have been issued.

79. Non-Statutory Registers

The Company shall establish and maintain any such registers as required to be established and maintained by it under the Listing Rules or the ASX Settlement Rules (the “**Non-Statutory Registers**”) and:

- (a) The board of Directors shall have the power and authority to permit auditing of the Non-Statutory Registers at such intervals, and by such persons and in such manner, as required by the Listing Rules and the ASX Settlement Rules.
 - (b) The board of Directors shall have power and authority to permit inspection of the Non-Statutory Registers and to provide information recorded therein as well as any other information regarding the direct or indirect shareholding of a shareholder of which the Company has been notified by that shareholder to the authorities entrusted with the supervision and/or implementation of the trading of CUFS on the ASX.
 - (c) Part of the Non-Statutory Registers may be kept abroad, in addition to in the State, in order to comply with the Listing Rules.
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80. Notice of General Meetings

CUFS holders shall be entitled to receive notice of and to attend general meetings of the Company in the same manner as set out in Articles 55 and 56 but shall not be entitled to vote.

81. Registration of Transfers of CUFS

The Directors must refuse to register or authorise any transfer of CUFS:

- (a) not permitted under the Listing Rules or the ASX Settlement Rules; or
- (b) if permitted only on conditions contained in the Listing Rules or the ASX Settlement Rules, then upon satisfaction of those conditions.

82. Other Provisions on the Registration of Transfers of CUFS

The following shall apply:

- (a) The transfer of any CUFS in respect of shares in the Company may be effected by a Proper ASTC Transfer.
 - (b) Upon receipt of a Proper ASTC Transfer and subject to the Listing Rules and the ASX Settlement Rules, the Directors must approve registration of a transferee named in the transfer as a CUFS Holder.
 - (c) The transferor will be deemed to remain the holder of the CUFS until a Proper ASTC Transfer has been effected or the name of the transferee is entered in the relevant register as the holder of the CUFS.
 - (d) The Company must not require a statutory declaration or other document in connection with ownership restrictions of its CUFS before it will register a transfer document.
 - (e) The Directors may decline to register or may prevent registration of a transfer of CUFS or may apply a Holding Lock to prevent a transfer in accordance with the Listing Rules if: (i) the transfer is not in a registrable form; or (ii) registration of the transfer may breach a law of Australia.
 - (f) The Directors must cause notice of any action under Article 82(e) to be given as required by the Listing Rules. Failure to do so will not invalidate the action.
 - (g) The Directors may suspend the registration of transfers at the times and for the periods they determine, but only as permitted by the ASX Settlement Rules.
 - (h) The Directors must ensure that the Company does not charge a fee for registering, issuing, handling or otherwise dealing with CUFS transfers and holding statements and other documents evidencing transactions or information with respect to its CUFS, as required by, or unless allowed by, Listing Rule 8.14.
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- (i) The Directors may decline to register or may prevent registration of a transfer of CUFS or may apply a Holding Lock to prevent a transfer in accordance with the Listing Rules if the transfer is paper-based and registration of the transfer will create a new holding that will be a Non-marketable Parcel.
- (j) The Company may elect to, but is not required to, register more than 3 persons as joint holders of CUFS, unless the joint holders become entitled due to transmission upon the death of a CUFS Holder or unless required to do so under the Listing Rules or the ASX Settlement Rules.

Divestment of Non-marketable Parcel of CUFS

- 83. A divestment under Article 85 is subject to and must occur in accordance with the Listing Rules and the ASX Settlement Rules, including ASX Settlement Rule 5.12, which shall prevail in the event of any inconsistency with any of the provisions of Article 85 to Article 95.
- 84. The provisions of Article 85 to Article 95 only apply to Securities in a new holding created by the transfer of a parcel of Securities that was less than a Marketable Parcel at the time the transfer document was initiated or, in the case of a paper based transfer document, was lodged with the Company.
- 85. The board of Directors may cause the Company to sell a CUFS Holder's CUFS if the CUFS Holder holds less than a Non-marketable Parcel and the procedures in Articles 86 to 95 are observed.

Notice of Proposed Sale of CUFS

- 86. Once in any 12 month period, the Company may give written notice to a CUFS Holder who holds a Non-marketable Parcel or, if held by joint CUFS Holders, to all of the joint CUFS Holders:
 - (a) explaining the effect of this Article 86;
 - (b) stating that it intends to sell the Non-marketable Parcel; and
 - (c) specifying a date at least 35 Business Days after the notice is given by which the CUFS Holder may give the Company written notice that the CUFS Holder wishes to retain the holding.

No sale where CUFS holder gives notice

- 87. The Company must not sell a Non-marketable Parcel if the Company receives a written notice that the CUFS Holder wants to retain it.

Terms of Sale

- 88. The Company may sell the Securities which make up the Non-marketable Parcel as soon as practicable at a price which the Directors consider to be the best price reasonably obtainable for the Securities at the time they are sold. A sale of Securities under this Article includes all dividends payable on and other rights attaching to them.
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The Company must pay the costs of the sale if not prohibited from doing so by the Acts or law, or must cause the purchaser to do so. Otherwise, the Directors may decide the manner, time and terms of sale.

89. For the purpose of giving effect to Article 88 the Directors may authorise a person, without further leave or consent from a relevant member, to execute a transfer as agent for the relevant member on behalf of the CUFS Holder who holds a Non-marketable Parcel.

Change in circumstance

90. If a CUFS Holder's holding becomes a Marketable Parcel after notice is given but before the Securities are sold, the Directors may decide that Articles 83 to 95 no longer applies to that holding. Before a sale is effected under Articles 85 to 95, the Directors may suspend or terminate the operation of this Article either generally or in the case of a specific CUFS Holder.

Application of proceeds

91. The Company must:
- (a) give written notice to the former CUFS Holder stating:
 - (i) what the amount of the sale proceeds is; and
 - (ii) that it is holding the balance for the former CUFS Holder while awaiting the former CUFS Holder's return of the certificate (if any) for the Securities sold or evidence of its loss or destruction;
 - (b) if the Securities were certificated, not pay the amount until it has received the certificate for them or evidence satisfactory to the Company of the loss or destruction of the certificate; and
 - (c) subject to Article 91(b), send the amount of the sale proceeds to the former holder after the sale.

92. Protection for transferee

The title of the new holder of CUFS sold under this Part XI is not affected by any irregularity in the sale. The sole remedy of any person previously interested in CUFS is damages which may be recovered only from the Company.

93. No sale where takeover bid announced

The power to sell under this Part XI lapses following the announcement of a takeover bid for the Company. The procedure may be started again after the close of the offers made under the takeover bid.

94. Voting Rights and Dividend Rights

The Company may remove or change the voting right or the right to receive dividends for any CUFS in a Non-marketable Parcel. If it has done so and proceeds with the sale of the Non-marketable Parcel, it must send any dividends that have been withheld to the former holder after the sale of the Non-marketable Parcel.

95. **No Express Permission for Holding of Non-marketable Parcel**

These Articles do not contain an express permission for a CUFS Holder to have a holding of a Non-marketable Parcel for the purposes of ASX Settlement Rule 8.10.2.

PART XII – DIRECTORS

96. **Number of Directors**

Unless otherwise determined by the Company in general meeting, the number of Directors will be the number determined by the Directors from time to time and shall not be more than twelve nor less than three. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors is reduced below the prescribed minimum the remaining Director or Directors shall appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment. If there be no Director or Directors able or willing to act then any member or members representing 5% of the Company's issued share capital, may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall hold office (subject to the provisions of the Acts and these Articles) only until the conclusion of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the Directors who are to retire by rotation at such meeting.

97. **Share qualification**

A Director shall not require a share qualification.

98. **Ordinary remuneration of Directors**

- (a) Subject to Article 98(b) each Director shall be paid a fee for the services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board of Directors.
 - (b) Without prejudice to any amounts payable under any other provision of these Articles (but at all times subject to the requirements of the Listing Rules), the ordinary remuneration of Directors who do not hold executive office shall not exceed in aggregate US\$2,300,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine and shall be divisible (unless such resolution shall provide otherwise) among the Directors as they may agree, or, failing agreement, equally, except that any such Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he has
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held office. In this Article “ordinary remuneration” shall not include such sums as are paid or reimbursed in accordance with board policy regarding travelling, accommodation and other expenses that are incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the Holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties when engaged on the business of the Company.

99. Special remuneration of Directors

Any Director who holds any executive office (including for this purpose the Chief Executive Officer) may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine provided that such Director’s salary or fee must not include a commission on, or percentage of, operating revenue.

100. Expenses of Directors and use of Company Property

- (a) The Directors may be paid or reimbursed for all travelling, accommodation and other expenses reasonably incurred by them in accordance with Board policy regarding meetings of Directors or committees of Directors or general meetings or separate meetings of the Holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties when engaged on the business of the Company.
- (b) A Director is expressly permitted (for the purposes of Section 228(1)(d) of the Act) to use the Company’s property subject to such conditions as may be approved by the Board or such conditions as may have been approved pursuant to such authority as may be delegated by the Board in accordance with these Articles.

101. Alternate Directors

- (a) Any Director may appoint by writing (whether in electronic form or otherwise) under his hand any person (including another Director) to be his alternate provided always that no such appointment of a person other than a Director as an alternate shall be operative unless and until such appointment shall have been approved by resolution of the Directors. Any such authority may be sent by delivery, post, cable, telegram, telex, telefax, electronic mail or any other means of communication approved by the Directors and may bear a printed, facsimile, electronic or advanced electronic signature of the Director giving such authority.
 - (b) An alternate Director shall be entitled, subject to his giving to the Company an address (whether within or outside of the State), to receive notices of all meetings of the Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present and in the absence of his appointor to exercise all the powers, rights, duties and authorities of his appointor as a Director (other than the right to appoint an alternate hereunder).
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- (c) Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration paid to the Director appointing him and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate and the Director appointing him.
- (d) A Director may revoke at any time the appointment of any alternate appointment by him. If a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine.
- (e) If a Director retires by rotation or otherwise but is re-appointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment or deemed re-appointment.
- (f) Any appointment or revocation by a Director under this Article shall be effected by notice in writing (whether in electronic form or otherwise) given under his hand to the Secretary or deposited or received at the registered office or in any other manner approved by the Directors.

PART XIII - POWERS OF DIRECTORS

102. Directors' powers

Subject to the provisions of the Acts, the Memorandum of Association of the Company and these Articles and to any directions by the members given by special resolution, not being inconsistent with these Articles or with the Acts, the business of the Company shall be managed by the Directors who may do all such acts and things and exercise all the powers of the Company as are not by the Acts or by these Articles required to be done or exercised by the Company in general meeting. No alteration of the Memorandum of Association of the Company or of these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

103. Power to delegate

Without prejudice to the generality of Article 102, the Directors may delegate any of their powers to:

- (a) the Chief Executive Officer, any Director or any person or persons employed by the Company or any of its subsidiaries. For the avoidance of doubt, any Chief Executive Officer, Director or person to whom the Directors have delegated any of their powers, in accordance with this Article 103(a), may delegate such power to another person or committee of the Board, or
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- (b) to any committee of the Board consisting of one or more Directors together with such other persons (if any) as may be appointed to such committee by the Directors provided that a majority of the members of each committee appointed by the Directors shall at all times consist of Directors and that no resolution of any such committee shall be effective unless a majority of the members of the committee present at the meeting at which it was passed are Directors.

Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee of the Board with two or more members shall be governed by the provisions of these Articles regulating the proceedings of Directors so far as they are capable of applying. For the avoidance of doubt, a person or committee to whom or to which the Directors have delegated any of their powers, in accordance with this Article 103, may delegate such power to another person or to a sub-committee in the same manner.

104. Appointment of attorneys

The Directors, from time to time and at any time by power of attorney, may appoint any company, firm or person or fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit. Any such power of attorney may contain such provisions for the protection of persons dealing with any such attorney as the Directors may think fit and may authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

105. Local management

Without prejudice to the generality of Article 103 but strictly subject to Article 3, the Directors may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in the State or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith with any such committee, local board or agency, without notice of any such removal, annulment or variation shall be affected thereby.

106. Borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets, and uncalled capital or any part thereof and subject to the Acts to issue debentures, debenture stock and other

securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, without any limitation as to amount.

107. Execution of negotiable instruments

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person or persons and in such manner as the Directors shall determine from time to time by resolution.

108. Participation in CHESS

- (a) The Directors may resolve to do anything that is necessary or desirable for the Company to participate in any computerised, electronic or other system for the facilitation of the transfer of CUFS or the operation of the Company's registers that may be owned, operated or sponsored by ASX or a related body corporate of ASX.
- (b) While the Company remains a participant in any such system:
 - (i) it must comply with the Listing Rules and the ASX Settlement Rules relating to transfers, divestment of holdings, holding statements for new holdings and changed holdings and replacement certificates;
 - (ii) it need not do anything that, as a participant, it is relieved of doing by the Acts or law or would otherwise be required to do by these Articles; and
 - (iii) it must comply with ASX Settlement Rule 5.21 with respect to any rights issue.

PART XIV - APPOINTMENT AND RETIREMENT OF DIRECTORS

109. Retirement

- (a) The Directors (other than the Chief Executive Officer) shall be divided into three classes, as nearly equal in size as practicable, designated Class I, Class II and Class III. The initial division of the Directors (other than the Chief Executive Officer) into classes shall be made by the decision of an affirmative vote of a majority of the Directors.
 - (b) Each Class I Director shall (unless his office is vacated in accordance with these Articles) serve initially until the conclusion of the annual general meeting of the Company held in the calendar year 2019.
 - (c) Each Class II Director shall (unless his office is vacated in accordance with these Articles) serve initially until the conclusion of the annual general meeting of the Company held in the calendar year 2020.
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- (d) Each Class III Director shall (unless his office is vacated in accordance with these Articles) serve initially until the conclusion of the annual general meeting of the Company held in the calendar year 2021.
- (e) At each annual general meeting of the Company, beginning from (and including) the calendar year 2019, successors to the class of Directors whose term expires at that annual general meeting shall be elected for a three-year term. A Director may, with the prior approval of the board of Directors, stand for re-election (as his own successor) at an annual general meeting at which his term expires.
- (f) The board of Directors, acting in good faith and in the interests of the Company, may re-designate any Director (including, for the avoidance of doubt, Directors appointed in accordance with Article 112 and/or Article 114) from one class to another, notwithstanding the fact that this may shorten the term of the relevant Director. A Director shall hold office until the close of the annual general meeting for the year in which his term expires or (if earlier) until a resolution is passed at that annual general meeting not to fill the vacancy or a resolution to re-appoint him is put to a vote at the meeting and is lost, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

110. Director Term

Notwithstanding any other provision of these Articles, no Director (other than the Chief Executive Officer) shall hold office (without re-election) past:

- (a) the third annual general meeting of the Company; or
- (b) 3 years,

following the Director's appointment (or last election), whichever is longer.

111. Eligibility for appointment as a Director

- (a) Subject to receiving the prior approval of the board of Directors, any Director retiring by rotation at an annual general meeting in accordance with Article 109 will be eligible for re-appointment.
 - (b) No person shall be appointed, re-appointed or deemed to be appointed or re-appointed as a Director at any general meeting unless that person is:
 - (i) recommended by the Directors; or
 - (ii) nominated in accordance with paragraph (c) by one or more members who alone or together hold 10% of the Company's issued share capital.
 - (c) A nomination made in accordance with Article 111(b)(ii) shall be:
 - (i) lodged with the Company accompanied by a biography setting out their experience and directorships of other listed and unlisted
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companies of not more than 300 words together with the consent of the nominee to act as Director if appointed; and

(ii) received by the Company in hardcopy or electronic form at such postal or electronic address as has been specified by the Company for that purpose in,

(A) the announcement of the intention to convene an annual general meeting in accordance with Article 51; or

(B) the announcement of the intention to convene an extraordinary general meeting in accordance with Article 55(a),

at least thirty (30) Business Days before the general meeting to which it relates.

112. **Appointment of additional Directors**

- (a) Subject to Article 111, the Company by ordinary resolution may appoint a person to be a Director either to fill a vacancy or as an additional Director and any Director so appointed shall be subject to retire by rotation in accordance with Article 109. A Director so appointed as an additional director shall be designated as a Class I, Class II or Class III Director by the decision of an affirmative vote of a majority of the Directors and shall hold office for a term that shall coincide with the remaining term of that class. Any Director elected to fill a vacancy shall have the same remaining term as that of her or his predecessor unless otherwise designated to a different class.
 - (b) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined by the Directors or fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next annual general meeting, at which meeting he may, with the prior approval of the board of Directors, stand for election. If re-appointed at that annual general meeting, the Director shall be designated as a Class I, Class II or Class III Director by the decision of an affirmative vote of a majority of the Directors and shall hold office for a term that shall coincide with the remaining term of that class. If not re-appointed at such annual general meeting, such Director shall vacate office at the conclusion thereof.
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PART XV - DISQUALIFICATION AND REMOVAL OF DIRECTORS

113. Disqualification of Directors

The office of a Director shall be vacated ipso facto if:

- (a) he is restricted or disqualified from acting as a director of any company under the provisions of Part 14 of the Act;
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) in the opinion of a majority of his co-Directors, he becomes incapable by reason of mental disorder of discharging his duties as a Director;
- (d) (not being a Director holding for a fixed term an executive office in his capacity as a Director) he resigns his office by notice to the Company;
- (e) his term of office expires in accordance with Article 110;
- (f) he is convicted of an indictable offence, unless the Directors otherwise determine; or
- (g) he shall have been absent for more than six consecutive months without permission of the Directors from meetings of the Directors held during that period and his alternate Director (if any) shall not have attended any such meeting in his place during such period, and the Directors pass a resolution that by reason of such absence he has vacated office.

114. Removal of Directors

The Company, by ordinary resolution of which notice has been given in accordance with the Acts, may remove any Director before the expiry of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may, if thought fit, by ordinary resolution appoint another Director in his stead. The person so appointed shall have the same remaining term as that of his or her predecessor unless otherwise designated to a different class. Nothing in this Article shall be taken as depriving a person removed hereunder of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that Director.

PART XVI - DIRECTORS' OFFICES AND INTERESTS

115. Executive offices

- (a) The Directors may appoint one of their body to the office of Chief Executive Officer and one or more of their body to any other executive office under the Company on such terms and for such period as they may determine and,
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without prejudice to the terms of any contract entered into in any particular case, may revoke any such appointment at any time.

- (b) At all times subject to Article 99, a Director holding any such executive office shall receive such remuneration, whether in addition to or in substitution for his ordinary remuneration as a Director and whether by way of salary, commission, participation in profits or otherwise or partly in one way and partly in another, as the Directors may determine.
- (c) The appointment of any Director to the office Chief Executive Officer shall terminate automatically if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (d) The appointment of any Director to any other executive office shall not terminate automatically if he ceases to be a Director unless the contract or resolution under which he holds executive office shall expressly state otherwise, in which event such termination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (e) A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to remuneration and otherwise as the Directors shall arrange.

116. **Directors' interests**

- (a) Subject to the provisions of the Acts and the Listing Rules, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
 - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof or in which the Company or any subsidiary or associated company thereof is otherwise interested;
 - (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company or any subsidiary or associated company thereof is otherwise interested; and
 - (iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
 - (b) No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor
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shall any such contract or any contract or arrangement entered into by or on behalf of the other Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made at the first meeting of the Directors held after he becomes so interested.

- (c) A copy of every declaration made and notice given under this Article shall be entered within three days after the making or giving thereof in a book kept for this purpose. Such book shall be open for inspection without charge by any Director, Secretary, Auditor or member of the Company at the Registered Office and shall be produced at every general meeting of the Company and at any meeting of the Directors if any Director so requests in sufficient time to enable the book to be available at the meeting.
- (d) For the purposes of this Article:
 - (i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
 - (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- (e) Directors shall be under a duty, even after they have ceased to hold office, not to divulge any information which they have concerning the Company, the disclosure of which might be prejudicial to the Company's interests, except where such disclosure is required or permitted under the national law provisions applicable to public limited liability companies or is in the public interest.

117. **Restriction on Directors' voting**

- (a) Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the
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Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

- (b) A Director shall be entitled (in the absence of some other material interest than is indicated below) to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:
- (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
 - (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the Holder of or beneficially interested in 1% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived) (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
 - (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval for taxation purposes by the appropriate Revenue authorities;
 - (vi) any proposal concerning the adoption, modification or operation of any scheme for enabling employees (including full time executive Directors) of the Company and/or any subsidiary thereof to acquire shares in the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits or may benefit; or
 - (vii) any proposal concerning the giving of any indemnity pursuant to Article 157(a) or the discharge of the cost of any insurance cover purchased or maintained pursuant to Article 157(b).
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- (c) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under sub-paragraph (b) (iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (d) Nothing in Section 228(1)(e) of the Act shall restrict a director from entering into any commitment which has been approved by the Board or has been approved pursuant to such authority as may be delegated by the Board in accordance with these Articles. It shall be the duty of each Director to obtain the prior approval of the Board, before entering into any commitment permitted by Sections 228(1)(e)(ii) and 228(2) of the Act.
- (e) If a question arises at a meeting of Directors or of a committee of Directors as to the materiality of a Director's interest or as to the right of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question may be referred, before the conclusion of the meeting, to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive. In relation to the Chairman, such question may be resolved by a resolution of a majority of the Directors (other than the Chairman) present at the meeting at which the question first arises.
- (f) For the purposes of this Article, an interest of a person who is the spouse or a minor child of a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director.
- (g) The Company by ordinary resolution may suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article, provided this is not inconsistent with the Listing Rules.

118. **Entitlement to grant pensions**

- (a) The Directors may provide benefits, whether by way of pensions, gratuities or otherwise, for any Director, former Director or other officer or former officer of the Company or to any person who holds or has held any employment with the Company or with any body corporate which is or has been a subsidiary or associated company of the Company or a predecessor in business of the Company or of any such subsidiary or associated company and to any member of his family or any person who is or was dependent on him and may set up, establish, support, alter, maintain and continue any scheme for providing all or any such benefits and for such purposes any Director accordingly may be, become or remain a member of, or rejoin, any scheme and receive or retain for his own benefit all benefits to which he may be or
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become entitled thereunder. The Directors may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme in respect of any of the persons or class of persons above referred to who are or may be or become members thereof.

- (b) Subject to the provisions of Article 157(b), the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time, directors, officers, or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company, or any other company or such subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission when in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

PART XVII - PROCEEDINGS OF DIRECTORS

119. Convening and regulation of Directors' meetings

- (a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. The Chairman or any three Directors may call a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be retrospective.
- (b) Notice of a meeting of the Directors or any other notice required to be given to, or by, a Director shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing by delivery, post, cable, telegram, telex, telefax, electronic mail or any other means of communication approved by the Directors to him at his last known address or any other address given by him to the Company for this purpose.

120. Quorum for Directors' meetings

- (a) The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three Directors.
 - (b) A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum but notwithstanding that such person may act as alternate Director for more than one Director he shall not count as more than one for the purposes of determining whether a quorum is present.
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- (c) The continuing Directors or a sole Director may act notwithstanding any vacancies in their number but if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting.

121. Voting at Directors' meetings

- (a) Questions arising at any meeting of Directors shall be decided by a majority of votes. Where there is an equality of votes, the chairman of the meeting shall have a second or casting vote.
- (b) Subject as hereinafter provided, each Director present and voting shall have one vote and in addition to his own vote shall be entitled to one vote in respect of each other Director not present at the meeting who shall have authorised him in respect of such meeting to vote for such other Director in his absence. Any such authority may relate generally to all meetings of the Directors or to any specified meeting or meetings and must be in writing and may be sent by delivery, post, cable, telegram, telex, telefax, electronic mail or any other means of communication approved by the Directors and may bear a printed, facsimile, electronic signature or advanced electronic signature of the Director giving such authority. The authority must be delivered to the Secretary for filing prior to or must be produced at the first meeting at which a vote is to be cast pursuant thereto provided that no Director shall be entitled to any vote at a meeting on behalf of another Director pursuant to this paragraph if the other Director shall have appointed an alternate Director and that alternate Director is present at the meeting at which the Director proposes to vote pursuant to this paragraph.

122. Telecommunication meetings

Any Director or alternate Director may participate in a meeting of the Directors or any committee of the Directors by means of conference telephone or other telecommunications equipment by means of which all persons participating in the meeting can hear each other speak and such participation in a meeting shall constitute presence in person at the meeting.

123. Chairman and Deputy Chairman of the board of Directors

Subject to any appointment to the office of Chairman made pursuant to these Articles, the Directors shall elect a Chairman and a Deputy Chairman from amongst their number and determine the period for which he is to hold office, but if at any meeting the Chairman is unwilling to act or is not present within fifteen minutes after the time appointed for holding such meeting and the Deputy Chairman is unwilling to act or is not present within that time, the Directors present may choose one of their number to be chairman of such meeting.

124. Validity of acts of Directors

All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director, notwithstanding that it be afterwards discovered that there

was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified from holding office or had vacated office, shall be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

125. Directors' resolutions or other documents in writing

A resolution or other document in writing (in electronic form or otherwise) signed (whether by electronic signature, advanced electronic signature or otherwise as approved by the Directors) by all the Directors entitled to vote on the resolution shall be as valid as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors, and such resolution or other document or documents when duly signed may be delivered or transmitted (unless the Directors shall otherwise determine either generally or in any specific case) by facsimile transmission, electronic mail or some other similar means of transmitting the contents of documents. A resolution or other documents signed (whether by electronic signature, advanced electronic signature or otherwise as approved by the Directors) by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

PART XVIII - THE SECRETARY

126. Appointment of secretary

The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them. Anything required or authorised by the Acts or these Articles to be done by the Secretary may be done, if the office is vacant or there is for any other reason no Secretary readily available and capable of acting, by or to any assistant or acting secretary readily available and capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors: Provided that any provision of the Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in the place of, the Secretary.

PART XIX - THE SEAL

127. Use of Seal

The Directors shall ensure that the Seal (including any official securities seal kept pursuant to the Acts) shall be used only by the authority of the Directors or of a committee authorised by the Directors or of such other person or persons as are authorised by the board of directors or a committee of the board of directors.

128. Seal for use abroad

The Company may have one or more duplicate common seals or official seals for use in different locations including for use abroad.

129. Signature of sealed instruments

- (a) Every instrument to which the Seal shall be affixed shall be signed by a Director, the Secretary or some person authorised by the Company for that purpose and the signature or countersignature of a second such person shall not be required save that as regards any certificates for shares or debentures or other securities of the Company the Directors may determine by resolution that such a signature shall be dispensed with, or be printed thereon or affixed thereto by some method or system of mechanical signature provided that in any such case the certificate to be sealed shall have been approved for sealing by the Secretary or by the registrar of the Company or by the Auditors or by some other person appointed by the Directors for this purpose in writing (and, for the avoidance of doubt, it shall be sufficient for approval to be given and/or evidenced either in such manner (if any) as may be approved by or on behalf of the Directors or by having certificates initialled before sealing or by having certificates presented for sealing accompanied by a list thereof which has been initialled).
- (b) For the purposes of this Article 129, any instrument in electronic form to which the seal is required to be affixed, shall be sealed by means of an advanced electronic signature based on a qualified certificate of a Director, the Secretary or by some other person appointed by the Directors for the purpose.

PART XX - DIVIDENDS AND RESERVES

130. Declaration of dividends

Subject to the provisions of the Acts, the Company by ordinary resolution may declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.

131. Interim and fixed dividends

Subject to the provisions of the Acts, the Directors may declare and pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may declare and pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but subject always to any restrictions for the time being in force (whether under these Articles, under the terms of issue of any shares or under any agreement to which the Company is a party, or otherwise) relating to the application, or the priority of application, of the Company's profits available for distribution or to the declaration or as the case may be the payment of dividends by the Company. Subject as aforesaid, the Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith

they shall not incur any liability to the Holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

132. **Payment of dividends**

- (a) Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on a share.
- (b) If several persons are registered as joint Holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- (c) Cash distributions shall be declared in United States dollars, unless the board of Directors determines otherwise and may be paid in such currency or currencies as the board of Directors determines using the rate of exchange prevailing on a date fixed by the board of Directors. The Directors may determine that dividends be paid in more than one currency, depending on the residency of the Holders.

133. **Deductions from dividends**

The Directors may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share.

134. **Dividends in specie**

- (a) A general meeting declaring a dividend may direct, upon the recommendation of the Directors, that it shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof in order to adjust the rights of all the parties and may determine that cash payments shall be made to any members upon the footing of the value so fixed.
 - (b) The Directors may direct payment or satisfaction of any dividend or other distribution wholly or in part by the distribution of specific assets and, in particular, of fully or partly paid up shares or debentures of any other company; and, where any difficulty arises in regard to such dividend or
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distribution, the Directors may settle it as they think expedient, and in particular may authorise any person to sell and transfer any fractions, or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets, and may determine that cash payments shall be made to any Holders upon the footing of the values so fixed in order to secure equality of distribution, and may vest any such specific assets in trustees as may seem expedient to the Directors.

135. Dividend payment mechanism

- (a) Any dividend or other moneys payable in respect of any share may be paid by cheque or warrant sent by post, at the risk of the person or persons entitled thereto, to the registered address of the Holder or, where there are joint Holders, to the registered address of the joint Holder whose name stands first in the Register in respect of the share or to such person and to such address as the Holder or joint Holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and payment of the cheque or warrant shall be a good discharge to the Company. Any joint Holder or other person jointly entitled to a share may give receipts for any dividend or other moneys payable in respect of the share. Any such dividend or other distribution may also be paid by any other method (including payment in a currency other than United States dollars, electronic funds transfer, direct debit, bank transfer or by means of a relevant system) which the Directors consider appropriate and any member who elects for such method of payment shall be deemed to have accepted all of the risks inherent therein. The debiting of the Company's account in respect of the relevant amount shall be evidence of good discharge of the Company's obligations in respect of any payment made by any such methods.
- (b) In respect of shares in uncertificated form, where the Company is authorized to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other moneys by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). Every such payment made by means of the relevant system shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned. Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders.

136. Dividends not to bear interest

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

137. Payment to Holders on a particular date

Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same may be payable to the persons registered as the Holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se of transferors and transferees of any such shares in respect of such dividend. The provisions of this Article shall apply, mutatis mutandis, to capitalisations to be effected in pursuance of these Articles. Any dividend, interest or other sum payable which remains unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

138. Unclaimed dividends

If the Directors so resolve, any dividend which has remained unclaimed for twelve years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The payment by the Directors of any unclaimed dividend or other moneys payable in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

139. Reserves

Before recommending any dividend, whether preferential or otherwise, the Directors may carry to reserve out of the profits of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for any purpose to which the profits of the Company may be properly applied and at the like discretion may be either employed in the business of the Company or invested in such investments as the Directors may lawfully determine. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they may lawfully determine. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also carry forward, without placing the same to reserve, any profits which they may think it prudent not to divide.

PART XXI – ACCOUNTS

140. Accounts

- (a) The Directors shall, in accordance with Chapter 2 of Part 6 of the Act, cause to be kept adequate accounting records, whether in the form of documents, electronic form or otherwise, that are sufficient to:
 - (i) correctly record and explain the transactions of the Company;
 - (ii) enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy;
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- (iii) enable the Directors to ensure that any financial statements of the Company, required to be prepared under Sections 290 or 293 of the Act, and any directors' report required to be prepared under Section 325 of the Act, comply with the requirements of the Act and where applicable, Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards; and
 - (iv) enable the financial statements of the Company so prepared to be audited.
- (b) The accounting records shall be kept on a continuous and consistent basis, which is to say, the entries in them shall be made in a timely manner and be consistent from one period to the next. Adequate accounting records shall be deemed to have been maintained if they comply with the provisions of Chapter 2 of Part 6 of the Act and explain the Company's transactions and facilitate the preparation of financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and, if relevant, the group and include any information and returns referred to in Section 282(3) of the Act.
 - (c) The accounting records shall be kept at the registered office or, subject to the provisions of the Act, at such other place as the Directors think fit and shall be open at all reasonable times to the inspection of the Directors.
 - (d) The Directors shall determine from time to time whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company shall be open to the inspection of members, not being Directors. No member (not being a Director) shall have any right of inspecting any financial statement or accounting records of the Company except as conferred by the Acts or authorised by the Directors or by the Company in general meeting.
 - (e) In accordance with the provisions of the Acts, the Directors shall cause to be prepared and to be laid before the annual general meeting of the Company from time to time such statutory financial statements of the Company and reports as are required by the Acts to be prepared and laid before such meeting.
 - (f) A copy of the statutory financial statements of the Company (including every document required by law to be annexed thereto) which is to be laid before the annual general meeting of the Company together with a copy of the Directors' report and Auditors' report, or, summary financial statements prepared in accordance with Section 1119 of the Act, shall be sent by post, electronic mail, any other means of electronic communication or in accordance with the procedure set out in Article 145(a)(v) (in which case the provisions of Article 145(e) shall apply) not less than twenty-one Clear Days before the date of the annual general meeting, to every person entitled under the provisions of the Acts to receive them; provided that in the case of those documents sent by
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electronic mail or any other means of electronic communication, such documents shall be sent with the consent of the recipient, to the address of the recipient notified to the Company by the recipient for such purposes and the required number of copies of these documents shall be forwarded at the same time to the appropriate section of the ASX; and provided, where the Directors elect to send summary financial statements to the members, any member may request that he be sent a copy of the statutory financial statements of the Company.

- (g) Auditors shall be appointed and their duties regulated in accordance with the Acts.

PART XXII - CAPITALISATION OF PROFITS OR RESERVES

141. Capitalisation of distributable profits and reserves

- (a) Without prejudice to any powers conferred on the Directors by these Articles, the Company in general meeting may resolve, upon the recommendation of the Directors, that any sum for the time being standing to the credit of any of the Company's reserves (including any capital redemption reserve fund, any share premium account or any undenominated capital) or to the credit of the profit and loss account be capitalised and applied on behalf of the members who would have been entitled to receive that sum if it had been distributed by way of dividend and in the same proportions either in or towards paying up amounts for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to the sum capitalised (such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such Holders in the proportions aforesaid) or partly in one way and partly in another, so, however, that the only purposes for which sums standing to the credit of the capital redemption reserve fund, the share premium account or any undenominated capital shall be applied shall be those permitted by the Acts.
 - (b) The Directors may from time to time at their discretion, subject to the provisions of the Acts and, in particular, to their being duly authorised pursuant to the Acts to allot the relevant shares, offer to the Holders of shares the right to elect to receive in lieu of any dividend or proposed dividend or part thereof an allotment of additional shares credited as fully paid. In any such case the following provisions shall apply:
 - (i) The basis of allotment shall be determined by the Directors in their absolute discretion.
 - (ii) The Directors shall give notice in writing (whether in electronic form or otherwise) to the Holders of shares of the right of election offered to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which, and the latest date and time by which, duly completed forms of election
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must be lodged in order to be effective. The Directors may also issue forms under which Holders may elect in advance to receive new shares instead of dividends in respect of future dividends not yet declared (and, therefore, in respect of which the basis of allotment shall not yet have been determined).

- (iii) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on shares in respect of which the right of election as aforesaid has been duly exercised (the “Subject Ordinary Shares”) and in lieu thereof additional shares (but not any fraction of a share) shall be allotted to the Holders of the Subject Ordinary Shares on the basis of allotment determined aforesaid and for such purpose the Directors shall capitalise, out of such of the sums standing to the credit of any of the Company’s reserves (including any capital redemption reserve fund, share premium account or any undenominated capital) or to the credit of the profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Subject Ordinary Shares on such basis.
- (c) The additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares then in issue save only as regards participation in the relevant dividend or share election in lieu.
- (d) The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation with full power to the Directors to make such provisions as they think fit where shares would otherwise have been distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded and the benefit of fractional entitlements accrues to the Company rather than to the holders concerned). The Directors may authorise any person to enter on behalf of all the Holders interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (e) The Directors may on any occasion determine that rights of election shall not be offered to any Holders of shares who are citizens or residents of any state or territory where the making or publication of an offer of rights of election or any exercise of rights of election or any purported acceptance of the same would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

142. **Capitalisation of non-distributable profits and reserves**

Without prejudice to any powers conferred on the Directors, the Company in general meeting may resolve, on the recommendation of the Directors, that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the

Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those members of the Company who would have been entitled to that sum if it were distributable and had been distributed by way of dividend (and in the same proportions) and the Directors shall give effect to such resolution.

143. Implementation of capitalisation issues

Whenever such a resolution is passed pursuant to Articles 141 or 142, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provisions as they shall think fit in the case of shares or debentures becoming distributable in fractions (and, in particular, without prejudice to the generality of the foregoing, either to disregard such fractions or to sell the shares or debentures represented by such fractions and distribute the net proceeds of such sale to and for the benefit of the Company or to and for the benefit of the members otherwise entitled to such fractions in due proportions) and to authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may become entitled on such capitalisation or, as the case may require, for the payment up by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be binding on all such members.

PART XXIII – NOTICES

144. Notices in writing

Any notice to be given, served or delivered pursuant to these Articles shall be in writing (whether in electronic form or otherwise) and the Company must comply with ASX Listing Rule 15.10, which requires that any document to be sent to an overseas Security Holder is sent by air or by fax, or in another way that ensures that it will be received quickly.

145. Service of notices

Save as where otherwise provided in these Articles:

- (a) Any notice or document (except for share certificates, which may only be delivered under sub-paragraphs (i) to (iii) of this paragraph) to be given, served or delivered in pursuance of these Articles may be given to, served on or delivered to any member by the Company:
 - (i) by handing same to him or his authorised agent;
 - (ii) by leaving the same at his registered address;
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- (iii) by sending the same by the post in a pre-paid cover addressed to him at his registered address;
 - (iv) by sending, with the consent of the member, the same by means of electronic mail or other means of electronic communication approved by the Directors, with the consent of the member, to the address of the member notified to the Company by the member for such purpose (or if not so notified, then to the address of the member last known to the Company); or
 - (v) by publication of an electronic record of it on a website and notification of such publication (which shall include the address of the website, the place on the website where the document may be found, and how the document may be accessed on the website) by any of the methods set out in sub-paragraphs (i) to (iv) above.
- (b) Where a notice or document is given, served or delivered pursuant to sub- paragraph (a) (i) or (ii) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the time the same was handed to the member or his authorised agent, or left at his registered address (as the case may be).
 - (c) Where a notice or document is given, served or delivered pursuant to sub-paragraph (a) (iii) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of twenty-four hours after the cover containing it was posted. In proving service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
 - (d) Where a notice or document is given, served or delivered pursuant to sub-paragraph (a)(iv) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of 48 hours after despatch.
 - (e) Where a notice or document is given, served or delivered pursuant to sub-paragraph (a)(v) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the time that the notification of such publication shall be deemed to have been given, served or delivered to such member in accordance with these Articles. Each member and each person becoming a member subsequent to 5 November 2020 (the date of insertion of this sub-paragraph (e)), by virtue of his holding or his acquisition and holding of a share, as applicable, shall be deemed to have acknowledged and agreed that any notice or other document (excluding a share certificate) may be provided by the Company by way of accessing them on a website instead of being provided by other means.
 - (f) Every legal personal representative, committee, receiver, curator bonis or other legal curator, assignee in bankruptcy, examiner or liquidator of a member shall be bound by a notice given as aforesaid if sent to the last registered address of such member, or, in the event of notice given or
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delivered pursuant to sub-paragraph (a)(iv), if sent to the address notified to the Company by the member for such purpose notwithstanding that the Company may have notice of the death, lunacy, bankruptcy, liquidation or disability of such member.

- (g) Notwithstanding anything contained in this Article the Company shall not be obliged to take account of or make any investigations as to the existence of any suspension or curtailment of postal services within or in relation to all or any part of any jurisdiction or other area other than the State.
- (h) Any requirement in these Articles for the consent of a member in regard to the receipt by such member of electronic mail or other means of electronic communications approved by the Directors, including the receipt of the Company's audited accounts and the directors' and auditor's reports thereon, shall be deemed to have been satisfied where the Company has written to the member informing him/her of its intention to use electronic communications for such purposes and the member has not, within four weeks of the issue of such notice, served an objection in writing on the Company to such proposal. Where a member has given, or is deemed to have given, his/her consent to the receipt by such member of electronic mail or other means of electronic communications approved by the Directors, he/she may revoke such consent at any time by requesting the Company to communicate with him/her in documented form provided however that such revocation shall not take effect until five days after written notice of the revocation is received by the Company.

146. Service on joint Holders

A notice may be given by the Company to the joint Holders of a share by giving the notice to the joint Holder whose name stands first in the Register in respect of the share and notice so given shall be sufficient notice to all the joint Holders.

147. Service on transfer or transmission of shares

- (a) Every person who becomes entitled to a share shall before his name is entered in the Register in respect of the share, be bound by any notice in respect of that share which has been duly given to a person from whom he derives his title provided that the provisions of this paragraph shall not apply to any notice served under Article 71 unless, under the provisions of Article 71(b), it is a notice which continues to have effect notwithstanding the registration of a transfer of the shares to which it relates.
 - (b) Without prejudice to the provisions of these Articles allowing a meeting to be convened by a notice issued, a notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a member, addressed to them at the address,
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if any, supplied by them for that purpose. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

148. Signature to notices

The signature (whether electronic signature, an advanced electronic signature or otherwise) to any notice to be given by the Company may be written (in electronic form or otherwise) or printed.

149. Deemed receipt of notices

A member present, either in person or by proxy, at any meeting of the Company or the Holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

PART XXIV - WINDING UP

150. Distribution on winding up

If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up or credited as paid up share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said shares held by them respectively. Provided that this Article shall not affect the rights of the Holders of shares issued upon special terms and conditions.

151. Sale by a liquidator

- (a) In case of a sale by the liquidator under the Acts, the liquidator may by the contract of sale agree so as to bind all the members for the allotment to the members direct of the proceeds of sale in proportion to their respective interests in the Company and may further by the contract limit a time at the expiration of which obligations or shares not accepted or required to be sold shall be deemed to have been irrevocably refused and be at the disposal of the Company, but so that nothing herein contained shall be taken to diminish, prejudice or affect the rights of dissenting members conferred by the Acts.
- (b) The power of sale of the liquidator shall include a power to sell wholly or partially for debentures, debenture stock, or other obligations of another company, either then already constituted or about to be constituted for the purpose of carrying out the sale.

152. Distribution in specie

If the Company is wound up, the liquidator, with the sanction of a special resolution of the Company and any other sanction required by the Acts, may divide among the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not), and, for such purpose, may value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator, with the like sanction, may vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as, with the like sanction, he determines, but so that no member shall be compelled to accept any assets upon which there is a liability.

PART XXV – MISCELLANEOUS

153. Minutes of meetings

The Directors shall cause minutes to be made of the following matters, namely:

- (a) of all appointments of officers and committees made by the Directors and of their salary or remuneration;
- (b) of the names of Directors present at every meeting of the Directors and of the names of any Directors and of all other members thereof present at every meeting of any committee appointed by the Directors; and
- (c) of all resolutions and proceedings of all meetings of the Company and of the Holders of any class of shares in the Company and of the Directors and of committees appointed by the Directors.

Any such minute as aforesaid, if purporting to be signed by the chairman or deputy chairman (if any) of the meeting at which the proceedings were had, or by the chairman or deputy chairman (if any) of the next succeeding meeting, shall be prima facie evidence of the matter stated in such minute without any further proof.

154. Inspection and secrecy

The Directors shall determine from time to time whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members, not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Acts and the Listing Rules or authorised by the Directors or by the Company in general meeting. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it would be inexpedient in the interests of the members of the Company to communicate to the public.

155. Destruction of records

The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof, all notifications of change of address howsoever received at any time after the expiration of two years from the date of recording thereof and all share certificates and dividend mandates which have been cancelled or ceased to have effect at any time after the expiration of one year from the date of such cancellation or cessation. It shall be presumed conclusively in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

- (a) the provision aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

156. Untraced shareholders

- (a) The Company shall be entitled to sell at the best price reasonably obtainable any share of a Holder or any share to which a person is entitled by transmission if and provided that:
 - (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Holder or to the person entitled by transmission to the share at his address on the Register or the other last known address given by the Holder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Holder or the person entitled by transmission (provided that during such twelve year period at least three dividends shall have become payable in respect of such share);
 - (ii) at the expiration of the said period of twelve years by advertisement in a national daily newspaper published in the State (and a national daily newspaper published in the United States of America and Australia and in a newspaper circulating in the area in which the address referred to in sub-paragraph (a)(i) of this Article is located) the Company has given notice of its intention to sell such share;
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- (iii) during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale the Company has not received any communication from the Holder or person entitled by transmission; and
 - (iv) the Company has first given notice in writing to the NYSE and ASX, respectively of its intention to sell such shares.
- (b) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the Holder or the person entitled by the transmission to such share. The transferee shall be entered in the Register as the Holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- (c) The Company shall account to the Holder or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Holder or other person. Moneys carried to such separate account may be either employed in the business of the Company or invested in such investments as the Directors may think fit, from time to time.

157. **Indemnity and Insurance**

- (a) Subject to the Acts every director and secretary (whether past or present) of the Company shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all costs, losses and expenses which any such director or secretary may incur or become liable to by reason of any contract entered into or any act or thing done by him as such director or secretary or in any way in the discharge of his duties. And no director or secretary shall be liable for the acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be vested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act by any person with whom any moneys securities or effects shall be deposited, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own wilful act or default.
- (b) The Directors shall have power to purchase and maintain for or for the benefit of any persons (including themselves) who are or were at any time directors, or other officers of the Company, insurance against any liability incurred by
-

such persons in respect of any act or omission when in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company and the Directors shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning the purchase of such insurance.

- (c) Article 157(a) is without prejudice to any agreements entered into by the Company prior to its registration as an Societas Europaea in Ireland which were lawful and permitted by the laws of the Member State where it was registered at the time of entering into such agreements.
 - (d) Every employee and such other person as may be deemed by the Directors of the Company to be an agent of the Company shall be indemnified by the Company as if such person was a director of the Company and therefore subject to the limitations of the Acts.
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I, the person whose name, address and description are subscribed, wish to be formed into a company in pursuance of this memorandum of association (as amended), and I agree to take the number of shares in the capital of the company set opposite my name.

| Names, addresses and descriptions of subscribers | by each subscriber | Number of shares taken |
|---|--------------------|------------------------|
|---|--------------------|------------------------|

| | | |
|-------------------------------|-------------------|------------------|
| RCI Malta Investments Limited | 50,000,000 shares | of NLG 0.02 each |
|-------------------------------|-------------------|------------------|

Dated the 26 day of October 1998

Witness to the above signatures : Mr. Martin van Olffen
Deputy Civil Law Notary,
Amsterdam.
The Netherlands

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

General. James Hardie Industries plc (the “Company,” “we,” “our” or “us”) is domiciled in Ireland and our registered office is located at Europa House, Second Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland. We are registered at the Companies Registration Office of the Department of Jobs, Enterprise and Innovation in Dublin, Ireland under number 485719.

Purpose and Objects. Our main object, which is stated in our Memorandum of Association, is to:

“carry on the businesses of manufacturer, distributor, wholesaler, retailer, service provider, investor, designer, trader and any other business (except the issuing of policies of insurance) which may seem to the Company’s board of directors capable of being conveniently carried on in connection with these objects or calculated directly or indirectly to enhance the value of or render more profitable any of the Company’s property.”

The Memorandum of Association also states that we will have the power to carry on the business of a holding company and co-ordinate the administration, finances and activities of any subsidiary companies or associated companies. Our objects and purposes are set out in Clause 3 of our Memorandum of Association.

We also have the usual powers of an Irish plc. These include the power to borrow, to charge assets, to grant guarantees and indemnities, to incorporate new companies and to acquire existing companies.

Share Capital. Our share capital is €1,180,000,000 divided into 2,000,000,000 shares of €0.59 each.

Listing Details. As a company incorporated under the laws of Ireland, we have listed our securities for trading on the Australian Securities Exchange (“ASX”), through the Clearing House Electronic Subregister System (“CHES”), via CHES Units of Foreign Securities (“CUFS”). CUFS are a form of depositary security that represent a beneficial ownership interest in the securities of a non-Australian corporation. Each of our CUFS represents the beneficial ownership of one share of common stock of JHI plc, the legal ownership of which is held by CHES Depositary Nominees Pty Ltd (“CDN”). The CUFS are listed and traded on the ASX under the symbol “JHX.” We have also listed our securities for trading on the New York Stock Exchange (“NYSE”). We sponsor an American Depositary Share (“ADS”) program, whereby beneficial ownership of CUFS is represented by ADS. These ADSs trade on the NYSE in the form of American Depositary Receipts (“ADRs”), under the symbol “JHX.” Each ADS represents the beneficial ownership of one CUFS. Unless the context indicates otherwise, when we refer to ADSs, we are referring to ADRs or ADSs and when we refer to our common stock we are referring to the shares of our common stock that are represented by CUFS.

Provisions of Our Articles of Association Related to Directors. Our Articles of Association grant the directors a general power to manage the Company, but in some instances, not all, expressly limit the duties of directors. The directors will have the power to exercise all of the powers of the Company that have not been otherwise expressly reserved to the shareholders by Irish Company Law or our Articles of Association. In addition, the directors are also granted certain specific powers by our Articles of Association, including:

- the power to delegate their powers to the CEO, any director, any person or persons employed by us or any of our subsidiaries or to a committee of the Board;

- the power to appoint attorneys to act on our behalf;
- the power to borrow money on our behalf and to mortgage or charge our undertaking, property, assets, and uncalled capital as security for such borrowings; and
- the power to do anything that is necessary or desirable for us to participate in any computerized, electronic or other system for the facilitation of the transfer of CUFS or the operation of our registers that may be owned, operated or sponsored by the ASX.

The directors' borrowing powers can be varied by amending the relevant article in accordance with Irish law. This would require a 'special resolution' of shareholders (i.e., a resolution which has been passed by not less than 75% of votes cast (in person or by proxy) at a duly convened and quorate general meeting of shareholders).

Under Irish law, directors have certain common law and statutory fiduciary duties. Under the Irish Companies Act 2014, directors must (amongst other things) act in good faith in what the director considers to be the interests of the Irish plc and to act honestly and responsibly in relation to the conduct of the affairs of the Irish plc. Many (but not all) fiduciary duties, which were previously founded under common law, have been given a statutory basis by the Irish Companies Act 2014.

In addition to the powers granted to our directors as outlined above, the table below sets forth a summary of certain other provisions contained within our Articles of Association related to Directors:

| Provision | Details |
|--|---|
| Power to vote on proposals, arrangements or contracts in which the director is materially interested | <p>The Company's Articles of Association provide that a director cannot vote on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A director cannot be counted in the quorum present at a meeting in relation to any such resolution on which the director is not entitled to vote.</p> <p>Under Irish law, directors who have a personal interest in a contract or a proposed contract with the Company are required to declare the nature of their interest at a meeting of the directors of the Company. The Company is required to maintain a register of such declared interests which must be made available for inspection by the shareholders at general meetings.</p> |
| Power to vote on compensation | <p>The maximum aggregate ordinary remuneration of the non-executive directors is US\$3,800,000 per annum and can be increased from time to time by an ordinary resolution. Changes to non-executive director remuneration are recommended by the Remuneration Committee and are approved at a properly convened meeting of the Board (which consists of eleven non-executive directors and the CEO).</p> <p>There is no requirement for our shareholders to approve the remuneration policy. The Company currently intends to continue voluntarily producing a remuneration report.</p> <p>These provisions are subject to the relevant listing rules of the ASX regarding director remuneration.</p> |
| Age limit for retirement or non-retirement | Our Articles of Association do not include any provisions regarding the mandatory retirement age of a director. |
| Number of shares for director's qualification | No director will require a share qualification in order to act as a director. |

Issuance of Shares: Pre-emptive Rights. We have been registered with one class of shares; however, our Articles of Association allow for any share to be issued with such rights or restrictions as the shareholders may by ordinary resolution determine. Shareholders may authorize us (acting through our directors) by special resolution to issue shares in whatever manner on the basis that they will be subsequently redeemed. Once issued, we may cancel redeemed shares or alternatively hold them as treasury shares (which subsequently will be reissued or cancelled).

The Board has the power: (a) to issue shares up to a maximum of our authorized share capital; and (b) to limit or exclude statutory pre-emptive rights in respect of such issue for cash consideration, for a period of up to five years in each case, subject to renewal, by a special resolution of shareholders (which requires the approval of holders of 75% of shares present in person or by proxy and voting at the relevant general meeting) in the case of disapplication of statutory pre-emptive rights, and an ordinary resolution (which requires the approval of holders of a majority of shares present in person or by proxy and voting at the relevant general meeting) in the case of authorizing the board to issue shares.

Our Articles of Association grant these authorizations to the Board. The authorizations described in paragraphs (a) and (b) above, will expire (unless renewed) on 7 August 2024. Shareholders will be asked at the 2024 Annual General Meeting to renew the authorizations described in paragraphs (a) and (b) above, with effect from the expiration of the current authorizations and for a period of five years from the date of the passing of such resolutions.

These authorizations are subject to the listing rules of the ASX and NYSE in relation to the issue of new equity securities, which require:

- in the case of the ASX, shareholder approval for the issue of equity securities which exceed 15% of the number of equity securities on issue (as determined in accordance with the ASX listing rules and subject to the various exemptions set out therein); and
- in the case of the NYSE, shareholder approval for the issuance of shares that have or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of such shares (subject to certain exceptions).

If the Board is at any time not designated as the authorized body for such powers, the shareholders acting by ordinary resolution have the power to issue shares, but only upon the proposal of the Board.

As an Irish company that has listed securities in Australia and the United States, we are subject to applicable legislation regarding insider trading. Generally, Australian law prohibits persons from trading on the basis of information which is not generally available and which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of securities. Similarly, in the United States, persons are prohibited from trading on the basis of material, non-public information. We have adopted an internal code on insider trading consistent with Australian and US laws and regulations.

Repurchase of Shares and Reduction of Capital. Irish law permits us to redeem our shares (provided such shares are redeemable) at any time whether on or off market without shareholder approval. Accordingly, our Articles of Association provide that, when we agree to acquire any shares (unless we elect to treat the acquisition as a purchase), it shall be a term of such contract that the relevant shares become redeemable on the entry into of that contract and that completion of that contract shall constitute redemption of the relevant shares. This means that we may acquire our own shares.

In addition, Irish law permits an Irish company and its subsidiaries to make market purchases of the shares of the Irish company on a recognized stock exchange if shareholders of the company have granted the company and/or its subsidiaries a general authority by ordinary resolution to do so. Currently, the Irish Stock Exchange, the NYSE, NASDAQ and the London Stock Exchange are the recognized stock exchanges for this purpose.

As the ASX is not currently a recognized stock exchange for the purposes of Irish law, on- and off-market purchases of our shares (by way of trading CUFS) will only be available to us through their redemption in accordance with the redemption mechanism in our Articles of Association, outlined above, provided we do not treat such acquisition as a purchase.

A redemption or repurchase of shares may only be funded out of distributable reserves or out of the proceeds of a fresh issue of shares for that purpose.

Under Irish Company Law, the Board may determine whether shares that we have repurchased or redeemed will either be held in treasury or cancelled. However, under Irish Company Law, the nominal value of treasury shares held by us may not, at any one time, exceed 10% of the nominal value of our issued share capital.

Unless otherwise required by an Irish plc's Articles of Association or Irish law, no business other than the appointment of a chairman may be transacted at any general meeting unless at least 5% of Irish plc's issued share capital is present or represented.

Shareholders Meetings and Voting Rights. Our Articles of Association allow for any general meetings to be held outside of Ireland. We must hold an AGM in each calendar year and within nine months after the financial year end and we shall announce the date of each AGM no less than 35 business days before such meeting is due to be held. All business that is transacted at an AGM shall be deemed to be special business, except: (1) the consideration of the Company's statutory financial statements and the report of the directors and the report of the auditors of those statements and that report; (2) the review by the members of the Company's affairs; (3) the declaration of a dividend (if any) of an amount not exceeding the amount recommended by the directors; (4) the election of directors in the place of those retiring (whether by rotation or otherwise); (5) subject to the relevant provisions of the Irish Companies Act 2014, the appointment or reappointment of the auditors; and (6) the authorization of the directors to approve the remuneration of the auditors.

We shall announce the date of an extraordinary general meeting no less than 35 business days before such meeting is due to be held save in exceptional circumstances where the Board resolves otherwise. An extraordinary general meeting may be convened by (1) the directors of their own volition or (2) by directors upon being requested to do so pursuant to Irish Company Law, by one or more persons who alone or together hold 10% of our issued share capital. An extraordinary general meeting must be convened within 21 calendar days after such a request has been made of us by a shareholder (who holds 10% or more of our issued share capital), and the extraordinary general meeting must be held no later than two months after such a request has been made by a shareholder.

One or more persons who alone or together hold at least 10% of our issued share capital may request that the Board call an extraordinary general meeting. In addition, such holders may also request that the Board place a matter on the agenda of any general meeting so long as any such request shall be received by us at least 30 business days before the general meeting to which it relates, at such postal or e-mail address as specified by us for that purpose in the announcement of the general meeting. Such request must be accompanied by stated grounds justifying its inclusion, or a draft resolution, together not to exceed 1,000 words. Such a request will be declined by our Board where: (i) the request is contrary to the Constitution, Irish law or the ASX Listing Rules, or (ii) the time limits specified in the Articles of Association have not been complied with.

Our quorum for general meetings is one or more members present in person, by proxy or by authorised representative holding at least 5% of the Company's issued share capital and who are entitled to vote upon the business to be transacted.

Our quorum for meetings of a separate class of shareholders is one or more persons who alone or jointly hold or represent by proxy at least 5% in nominal value of the issued shares of the class.

Holders of CUFS and ADSs do not appear on our share register as legal holders of shares. Accordingly, the ability to call an extraordinary general meeting only may be exercised, in the case of holders of CUFS, by providing instructions to the CUFS depositary or by converting their CUFS to shares, and, in the case of holders of ADSs, by converting their ADSs to CUFS and thereafter providing instructions to the CUFS depositary or converting their CUFS to shares.

All shares issued have the right to one vote for each share held on every matter submitted to a vote of the shareholders. CUFS holders are entitled to attend and to speak at our shareholder meetings and can vote at our shareholder meetings:

- by instructing CDN, as legal owner of our shares represented by CUFS, how to vote the shares represented by the holder's CUFS;
- by directing CDN to appoint itself (or another person) as the nominated proxy pursuant to a voting instruction form provided by the Company; or

- by converting the holder's CUFS into our shares and voting the shares at the meeting, which must be undertaken prior to the meeting. However, in order to sell their shares on the ASX thereafter, it will first be necessary to convert them back to CUFS.

ADS holders will not be entitled to attend our general meetings of shareholders, but can vote by giving an instruction to Deutsche Bank, as the ADS depository on how to instruct CDN to vote at a meeting.

Irish law and our Articles of Association currently do not impose any limitations on the rights of persons who are not residents of Ireland to hold or vote shares, solely as a result of such non-resident status.

Annual Report. Our fiscal year runs from 1 April through 31 March. Irish law requires that our annual accounts must be laid before the shareholders at the AGM within nine months of the balance sheet date and that copies of our financial statements must be sent to the shareholders 21 days before the AGM. We prepare consolidated annual accounts under "modified" US GAAP, which is US GAAP to the extent that it is not inconsistent with Irish Company Law. We will also prepare standalone annual entity accounts under Irish GAAP and lay those accounts before the AGM. The annual accounts will also include report of an independent accountant.

Indemnification. Our Articles of Association provide that our current and former directors, company secretary, employees and persons who may be deemed by our Board to be our agent are indemnified by us for costs, losses and expenses arising out of such person's exercise of their duties to us. However, under Irish Company Law, this indemnity only binds us to indemnify a current or former director or company secretary where judgment is given in any civil or criminal action in favor of such current or former director or company secretary, or where a court grants relief because the current or former director or company secretary acted honestly and reasonably and ought fairly to be excused. Our Articles of Association apply the same restrictions to employees and persons deemed by our Board to be our agent who are not current or former directors or company secretary.

We have also entered into deeds of access, insurance and indemnity with our directors, company secretary and certain senior employees.

Dividends. Dividends and distributions of assets to shareholders may be declared: (a) in the case of dividends, by the Board; or (b) upon the recommendation of the Board, by an ordinary resolution of shareholders, provided that with respect to dividends or distributions declared pursuant to subsection (b) above, the dividends or distributions may not exceed the amount recommended by the Board.

Dividends and distributions may only be made in-so-far as: (a) we have sufficient distributable profits; and (b) our net assets are not less than the aggregate of called up share capital plus undistributable reserves and the distribution does not reduce our net assets below such aggregate.

If directors so resolve, any dividend that has remained unclaimed for 12 years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The payment by directors of any unclaimed dividend or other moneys payable in respect of a share into a separate account shall not constitute us a trustee in respect thereof. However, it is unlikely that any such unclaimed dividends will be forfeited due to the operation of Australian legislation, under which dividends that have been unclaimed for six years are paid to the relevant state authority, through which shareholders can claim a refund of such dividends in the future.

Our Board determines the record dates at which time registered holders of our shares, including CDN issuing CUFS to the ADS depository, will be entitled to dividends and also sets the payment dates for these dividends. Dividends are declared payable to our shareholders in US dollars. Deutsche Bank, our ADS depository, receives dividends in US dollars directly from JHI plc on each CUFS dividend payment date and will distribute any dividend to holders of ADSs in US dollars pursuant to the terms of the deposit

agreement. Other CUFS holders registered at a dividend record date are paid their dividend on each CUFS dividend payment date in the equivalent amount of Australian dollars, as determined by the prevailing exchange rate shortly after the CUFS dividend record date.

Amendment of Articles of Association. Our Articles of Association may be amended by our shareholders, which include changes to the rights of shareholders, subject to Irish Company Law restrictions, by resolution approved by 75% of the votes cast at a general meeting of shareholders at which at least 5% of our issued shares is present in person, by proxy or by authorised representative.

Liquidation Rights. In the event of our liquidation, and after we have paid all debts and liquidation expenses, the excess of any assets shall be distributed among our shareholders in proportion to the capital at the commencement of the winding up which is paid up or credited as paid up on such shares held by our shareholders. As a holding company, our sole material assets will be the capital stock of our subsidiaries.

Limitations on Right to Hold Common Stock. The Irish Takeover Rules regulate takeover and merger transactions, however effected, by which control of a public limited company incorporated in Ireland with a listing of its equity securities on certain specified stock exchanges, including the New York Stock Exchange, may be obtained or consolidated. Control means a holding or aggregate holding of shares carrying 30% or more of the voting rights of a relevant company, irrespective of whether the holding or holdings give de facto control.

The Irish Takeover Rules are statute based. The Irish Takeover Panel is the body that regulates all transactions subject to the Irish Takeover Rules.

Rule 9 of the Irish Takeover Rules states that, except with the consent of the Irish Takeover Panel, when:

- any person acquires, whether by a series of transactions over a period of time or not, shares or other securities which (taken together with shares or other securities held or acquired by persons acting in concert) carry 30% or more of the voting rights of a relevant company; or
- any person, who together with persons acting in concert, holds not less than 30% of the voting rights and such person or any person acting in concert with them acquires, in any period of 12 months, additional shares or other securities of more than 0.05% of the total voting rights of the relevant company, such person must extend offers to the holders of any class of equity securities (whether voting or non-voting) and to holders of any class of transferable voting capital in respect of all such equity securities and transferable voting capital.

A single holder (that is, a holder excluding any parties acting in concert with the holder) holding more than 50% of the voting rights of a relevant company is not subject to Rule 9.

The Irish Takeover Rules also contain rules called "Substantial Acquisition Rules" which restrict the speed with which a person may increase their holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights of a relevant company. These rules also require accelerated disclosure of acquisitions of shares or rights over shares relating to such holdings.

The Irish Takeover Rules are built on the following general principles that apply to any transaction regulated by such rules:

- all holders of the securities of an offeree of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected;

- the holders of the securities of an offeree must have sufficient time and information to enable them to reach a properly informed decision on the offer; where it advises the holders of securities, the board of the offeree must give its views on the effects of implementation of the offer on employment, conditions of employment and the locations of the offeree's places of business;
- the board of an offeree must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the offer;
- false markets must not be created in the securities of the offeree, of the offeror or of any other company concerned by the offer in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted;
- an offeror must announce an offer only after ensuring that he or she can fulfill in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration;
- an offeree must not be hindered in the conduct of its affairs for longer than is reasonable by an offer for its securities; and
- a substantial acquisition of securities (whether such acquisition is to be effected by one transaction or a series of transactions) shall take place only at an acceptable speed and shall be subject to adequate and timely disclosure.

Although the Irish Takeover Rules may help to ensure that no person may acquire voting control of us without making an offer to all shareholders, these provisions may also have the effect of delaying or preventing a change in control of the Company.

Disclosure of Holdings. Under Irish law, a person must notify us in writing within five business days of an acquisition or disposition of shares where:

- such person's interest was below 3% of our issued share capital prior to such acquisition and equals or exceeds 3% after such acquisition;
- such person's interest was equal to or above 3% of our issued share capital before an acquisition or disposition and increases or decreases through an integer of a percentage as a result of such acquisition or disposition (e.g., from 3.8% to 4.3% or from 5.2% to 4.9%); and
- where such person's interest was equal to or above 3% of our issued share capital before a disposition and falls below 3% as a result of such disposition.

Failure of a shareholder to disclose its interests in our shares as described above will result in no right or interest of any kind in respect of that person's shares being enforceable, whether directly or indirectly, by action or legal proceeding.

In addition, under Irish law, we can, if we have reasonable cause to believe that a person or company has an interest in our shares, require such person or company to confirm that belief (or as the case may be) to indicate whether or not it is the case and to provide certain information in relation to such holdings, including details of his or her interest in our shares and the interests (if any) of all persons having a beneficial interest in the shares. To the extent any such information is made available to us, Irish law requires that we make such information available for inspection to any person upon such person's request.

If a person fails to respond to us when we make a request for information in the manner described above, we may apply to the High Court of Ireland for an order stating that: (a) any transfer of such shares will be void; (b) such shares will have no voting rights; (c) no further shares will be issued in right of those shares or pursuant to any offer made to the holder thereof; and (d) such shares will not be entitled to any payment from us.

The restrictions described above, whether imposed for a failure to disclose a notifiable interest or for a failure to respond to a request for information, may only be lifted by an order of the High Court of Ireland.

Shareholders are also subject to beneficial ownership reporting disclosure requirements under US securities laws, including the filing of beneficial ownership reports on Schedules 13D and 13G with the SEC. The SEC's rules require all persons who beneficially own more than 5% of a class of securities registered with the SEC to file either a Schedule 13D or 13G. This filing requirement applies to all holders of our shares of common stock, ADSs or CUFS because our securities have been registered with the SEC. The number of shares of common stock underlying ADSs and CUFS is used to determine whether a person beneficially owns more than 5% of the class of securities. This beneficial ownership reporting requirement applies whether or not the holders are residents of the United States. The determination of whether to file a Schedule 13D or a Schedule 13G depends primarily on the nature of the beneficial owner and the circumstances surrounding the person's beneficial ownership. A copy of the rules and regulations relating to the reporting of beneficial ownership with the SEC, as well as Schedules 13D and 13G, are available on the SEC's website at www.sec.gov.

Company Books of Accounts. The Company is responsible for ensuring that it keeps adequate accounting records. The measures taken by the directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. We have appointed a Chief Financial Officer who makes regular reports to the Board and ensures compliance with the requirements of Chapter 2 of Part 6 of the Irish Companies Act 2014. The Company also has a Global Controller, who works closely with the Chief Financial Officer and makes regular reports to our Audit Committee. The accounting records of the Company are kept at its registered office in Ireland.

JAMES HARDIE INDUSTRIES plc
2020 NON-EXECUTIVE DIRECTOR EQUITY PLAN

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JAMES HARDIE INDUSTRIES PLC

2020 NON-EXECUTIVE DIRECTOR EQUITY PLAN

1. Establishment, Purpose and Types of Awards

1.1 Establishment. The James Hardie Industries plc 2020 Non-Executive Director Equity Plan (the “**Plan**”) is hereby established effective as of 7 August 2020 (the “**Effective Date**”).

1.2 Purpose. The purpose of the Plan is to encourage and facilitate share ownership for Non-Executive Directors. The Plan recognizes that Non-Executive Directors can be limited in their ability to purchase securities in the Company at a point in time as a result of reputational considerations or the operation of insider trading laws. The Board expects that the Plan will be utilized to assist Non-Executive Directors to meet the Company’s Board Accumulation Guidelines.

1.3 Term of Plan. The Plan shall have a termination date of 10 years from the Effective Date unless earlier terminated by the Board (“**Termination Date**”). In the event that the Plan is terminated by the Board, then subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

1.4 Permitted awards. The Plan permits the granting of Share Acquisition Awards, Share Options, Restricted Shares, Irish Restricted Shares and RSUs or any combination of the foregoing.

1.5 Nature of the Plan. This Plan is an employee incentive scheme covered by ASIC CO 14/1000 and the Non-Executive Directors are the Eligible Participants under this Plan.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

- (a) “**Administrator**” shall have the meaning given in Section 3.1.
- (b) “**ADR**” shall mean an American Depositary Receipt, as defined in the most recent Annual Report of the Company filed with the United States Securities and Exchange Commission.
- (c) “**Applicable Security**” shall mean, as applicable, the Shares or LDRs in which an Award is denominated.
- (d) “**ASIC CO 14/1000**” shall mean Australian Securities and Investments Commission Class Order [CO 14/1000].
- (e) “**ASX**” shall mean ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires.

(f) “**ASX Listing Rules**” shall mean the official Listing Rules of ASX as amended or waived and applicable to the Company from time to time.

(g) “**ASX Settlement Operating Rules**” shall mean the Settlement Operating Rules of ASX as amended or waived and applicable to the Company from time to time.

(h) “**Award**” shall mean any Share Acquisition Award, Share Option, Restricted Shares, Irish Restricted Shares or RSU granted to an Eligible Participant under this Plan.

(i) “**Board**” shall mean the Board of Directors of the Company.

(j) “**Change in Control**” shall mean any one or related series of the following events in which the shareholders of the Company do not retain immediately after such event(s) direct or indirect beneficial ownership of more than 50% of the total combined voting power of the outstanding securities entitled to vote generally in the election of members of the Board or the board of directors of the successor to the Company or the entity to which the assets of the Company were transferred, as the case may be:

(i) the direct or indirect sale or exchange in a single or series of related transactions by the shareholders of the Company of securities of the Company representing more than 50% of the total combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of the Board;

(ii) a merger or consolidation in which the Company is a party;

(iii) a compromise or arrangement sanctioned by the courts of Ireland under Section 453 of the Companies Act 2014; or

(iv) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(k) “**Company**” means James Hardie Industries plc, a public limited company incorporated in Ireland with registered number 485719 and having its registered office at Europa House 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland, or any successor body corporate thereto.

(l) “**CUFS**” means a CHESS Unit of Foreign Securities as defined in the ASX Settlement Operating Rules.

(m) “**Effective Date**” shall mean 7 August 2020

(n) “**Eligible Participant**” shall mean a Non-Executive Director or proposed Non-Executive Director, or their permitted nominee for the purposes of ASIC CO 14/1000, from time to time.

(o) “**Exchange**” shall mean the Exchange or other principal securities exchange on which the Applicable Security is traded.

(p) “**Fair Market Value**” means, as of any date, the value of the Applicable Security or other property as determined by the Administrator, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) if the Applicable Security is publicly traded on an Exchange, the Fair Market Value shall be the closing price of the Applicable Security on the relevant date, as adjusted as applicable and proportionately to give effect to the ratio of the Shares underlying the Applicable Security, or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Applicable Security has traded on an Exchange, the date on which the Fair Market Value shall be established shall be the last day on which the Applicable Security was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Administrator, in its discretion or by the Company, in its discretion.

(ii) notwithstanding the foregoing, the Administrator may, in its discretion, or the Company may, in its discretion, determine the Fair Market Value of the Applicable Security on the basis of the opening, closing, or average of the high and low sale prices of the Applicable Security on such date or the preceding trading day, any other reasonable basis using actual transactions in the Applicable Security as reported on the Exchange. The Administrator or the Company may also determine the Fair Market Value based upon the average (or volume weighted average) selling price of the Applicable Security during a specified period that is within thirty days before or thirty days after such date, provided that, with respect to the grant of an Option, the commitment to grant such Award based on such valuation method must be irrevocable before the beginning of the specified period.

(iii) if, on such date, the Applicable Security is not publicly traded and then listed on an Exchange, the Fair Market Value of the Applicable Security shall be as determined by the Administrator or the Company in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse.

(q) “**Grant Agreement**” shall mean a written document, including an electronic writing acceptable to the Administrator, memorializing the terms and conditions of an Award granted pursuant to the Plan and shall incorporate the terms of the Plan.

(r) “**Holding Lock**” shall have the meaning as defined in the ASX Settlement Operating Rules or the equivalent of any other Exchange.

(s) “**Insider Trading Policy**” shall mean a policy of that name adopted by the Board from time to time as applicable to any Eligible Participant at the time they enter into a Grant Agreement.

(t) “**Irish Restricted Shares**” shall mean Shares that are the subject of an Award made under Section 6.5 and that are non-transferable and are held under a trust arrangement, as set forth in this Plan and in any statement evidencing the grant of such Award.

(u) “**LDR**” means a CUFS, an ADR or other equivalent listed depositary interest which represents a beneficial interest in a Share and accordingly is an eligible product as defined in and for the purposes of ASIC CO 14/1000.

(v) “**Non-Executive Director**” shall mean a member of the Board who is not an employee of the Company or of any affiliate of the Company.

(w) “**Plan**” shall mean this 2020 Non-Executive Director Equity Plan of the Company, as amended from time to time.

(x) “**Recipient**” shall mean an Eligible Participant who has received an Award under this Plan.

(y) “**Restricted Shares**” shall mean Shares that are the subject of an Award made under Section 6.3 and that are non-transferable and subject to a substantial risk of forfeiture until specific conditions are met, as set forth in this Plan and in any statement evidencing the grant of such Award.

(z) “**Restricted Share Unit**” or “**RSU**” shall mean a right granted under Section 6.4 to be issued or transferred Shares.

(aa) “**Restriction Deed**” shall have the meaning as defined in the ASX Listing Rules.

(bb) “**Securities**” has the meaning given in the ASX Listing Rules.

(cc) “**Service**” shall mean a Recipient’s service relationship with the Company, whether as a Non-Executive Director or as an employee, consultant or other independent contractor performing services for the Company. A Recipient’s Service shall not be deemed to have terminated merely because of a change in the capacity in which the Recipient renders Service, provided that there is no interruption or termination of the Recipient’s Service.

(dd) “**Share**” shall mean an ordinary share of €0.59 in the capital of the Company. The Administrator, in its discretion, may treat another kind of Applicable Security as equivalent to and interchangeable with a Share of the Company for the purposes of this Plan.

(ee) “**Share Acquisition Award**” shall mean a right to purchase Shares granted under Section 6.1 of this Plan.

(ff) “**Share Option**” shall mean a right to purchase Shares granted under Section 6.2 of this Plan.

3. Administration

3.1 Administration of the Plan. The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time (the Board, committee or committees hereinafter referred to as the “**Administrator**”).

3.2 Powers of the Administrator.

(a) The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

(b) The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (i) determine the Eligible Participants to whom, and the time or times at which Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of Shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate; (v) subject to the ASX Listing Rules, modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (provided however, that, any modification that would materially adversely affect any outstanding Award shall not be made without the consent of the Recipient); (vi) subject to the ASX Listing Rules, accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award, including, but not limited to, any restriction or condition with respect to the vesting or exercisability of an Award following termination of any Recipient's Service with the Company; (vii) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid with respect to a specific period; and (viii) for any purpose, including but not limited to, qualifying for preferred tax treatment under local or foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

(c) The Administrator shall have full power and authority, in its sole and absolute discretion, to administer and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued thereunder, to adopt, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its activities as the Administrator deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

3.3 Non-Uniform Determinations. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Administrator selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

3.4 Limited Liability. To the maximum extent permitted by law, no member of the Administrator shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

3.5 Indemnification. To the maximum extent permitted by law and by the Company's constitution, the members of the Administrator shall be indemnified by the Company in respect of all their activities under the Plan.

3.6 Effect of Administrator's Decision. All actions taken and decisions and determinations made by the Administrator or the Company on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the

Company, its shareholders, any participants in the Plan and any other employee, consultant, independent contractor, or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan

4.1 Number of Shares. Subject to adjustments as provided in Section 4.4 and to ASIC CO 14/1000, the maximum number of Shares that may be issued pursuant to Awards granted under this Plan is 1,000,000.

4.2 Source of Shares. The Shares to be issued or transferred under this Plan will be made available, at the discretion of the Administrator, either from authorized but unissued Shares, or from previously issued Shares reacquired by the Company in accordance with Irish law and the Company's constitution.

4.3 Availability of Unused Shares. Shares subject to unexercised portions of any Awards that expire, terminate or are cancelled and Shares issued pursuant to an Award that are reacquired or redeemed by the Company in accordance with applicable law and the Company's constitution pursuant to the terms of the Award under which such Shares were issued, shall, upon further expiration, termination, cancellation, reacquisition or redemption in accordance with applicable laws and the Company's constitution, become available for the grant of further Awards under this Plan as part of the Shares available under Section 4.1. In addition, Shares subject to an Award that are delivered to or retained by the Company upon exercise to cover tax withholding, and any Shares underlying an Award that are not issued because the Award is settled in cash, shall be available for grant of further Awards under this Plan as part of the Shares available under Section 4.1.

4.4 **Adjustment Provisions**

(a) Adjustments to Number of Shares. If the Company consummates any reorganization in which holders of Shares are entitled to receive in respect of such Shares any additional Shares or new or different shares or securities, cash or other consideration (including, without limitation, a different number of Shares), or if the outstanding Shares are increased, decreased or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale or exchange of assets of the Company, reorganization, recapitalization, reclassification, combination, share dividend, share split, reverse share split, spin-off, return of capital, or similar transaction, then an appropriate and proportionate adjustment shall be made by the Administrator in the maximum number and kind of Shares subject to this Plan as provided in Section 4.1.

(b) Bonus issues. (i) If securities are issued by way of a "bonus issue" (as that term is defined in the ASX Listing Rules) to the holders of Shares, a Recipient is entitled, upon the exercise of a vested Share Option or conversion of a vested RSU, to receive in addition to the Share in respect of which the Share Option is exercised or the RSU is converted and without the payment of any further consideration, the number of Securities that the Recipient would have received if the Share Option had been exercised or the RSU had been converted before the record date for the bonus issue; (ii) any additional Securities to which a Recipient becomes entitled under (i) will, until those additional Securities are issued, transferred or allocated to the Recipient, be regarded as additional Securities into which the

Share Options and/or RSUs may become exercisable or convertible for the purposes of any subsequent application of (i).

(c) Rights issue. If there is a "pro rata issue" (as that term is defined in the ASX Listing Rules, except a bonus issue) to the holders of Shares:

(i) the exercise price of each Share Option shall be reduced according to the following formula:

$$O' = O - \frac{E [P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the Share Option;

O = the old exercise price of the Share Option;

E = the number of Shares into which one Share Option is exercisable;

P = the average "market price" (as that term is defined in the ASX Listing Rules) per Applicable Security (weighted by reference to volume) during the five trading days ending on the day before the ex rights date or ex entitlements date;

S = the subscription price for a Security under the pro rata issue;

D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Security; and

(ii) the number of Shares into which a RSU converts may be adjusted in the manner determined by the Board. It is intended that the Board would exercise its discretion to ensure that the Recipients do not enjoy a windfall gain and do not suffer a material detriment as a result of any such adjustment.

(d) Reorganisation. In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued Shares of the Company, the number of Share Options and/or RSUs to which each Recipient is entitled, and/or the exercise price of the Share Options, will be changed in accordance with the ASX Listing Rules. Upon any adjustment being made pursuant to this clause, the Board will notify each Recipient (or his or her legal personal representative where applicable) in writing, informing them of the number of Share Options or RSUs held by the relevant Recipient.

(e) No Fractional Interests. No fractional interests will be issued under the Plan resulting from any adjustments.

(f) Right to Make Adjustment. The grant of an Award will not affect in any way the right or power of the Company to make adjustments, reclassifications,

reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or any part of its business or assets.

4.5 Reservation of Shares. The Company will at all times reserve and keep available for issuance Shares equalling at least the total number of Shares issuable pursuant to all outstanding Awards with due observance of Section 4.1.

5. Participation

5.1 Persons Eligible for Awards. Participation in the Plan is limited to Eligible Participants.

5.2 Country-Specific Terms and Conditions. Notwithstanding any other provision of the Plan to the contrary, Awards shall be subject to the specific terms and conditions, if any, set forth in Appendix A to the Plan which are applicable to a Recipient's country of residence, the provisions of which are incorporated in and constitute part of the Plan. Moreover, if the Recipient relocates to one of the countries included in Appendix A, the specific terms and conditions applicable to such country will apply to the Recipient's Award to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Administrator may, from time to time, amend the specific terms set forth in Appendix A to the Plan, remove part or all of the specific terms set forth in Appendix A to the Plan or include additional specific terms in Appendix A to the Plan.

6. Awards

The Administrator, in its sole discretion save for the requirements of the ASX Listing Rules, establishes the terms of all Awards granted under the Plan. Awards may be granted individually or in tandem with other types of Awards. The grant of each Award must be reflected in a Grant Agreement duly executed on behalf of the Company and by the Recipient. Awards will not be deemed made or binding upon the Company, and Recipients will have no rights thereto, until such a Grant Agreement is entered into between the Company and the Recipient, but an Award may be effective at a date prior to the date of such an agreement. Awards are subject to the terms and conditions provided in the Grant Agreement. A Grant Agreement may contain such other terms, provisions and conditions not inconsistent with this Plan as may be determined by the Administrator. In case of any conflict between this Plan and any Grant Agreement, this Plan shall prevail.

6.1 Share Acquisition Awards The Administrator may from time to time grant to Eligible Participants Share Acquisition Awards for cash in such amounts and on such terms and conditions as it shall determine. A Share Acquisition Award entitles an Eligible Participant to apply part or all of the cash component of their Non-Executive Director's fees for services to the Board to acquire Shares which shall not be issued at a discount to their nominal value

6.2 Share Options. The Administrator may from time to time grant to Eligible Participants Share Options for cash in such amounts and on such terms and conditions as it shall determine. The exercise price for each Share Option will be determined by the Administrator as of the date such Share Option is granted, provided that, notwithstanding anything contained herein to the contrary, such exercise price shall be (A)

not less than the nominal value of the relevant Shares; (B) fixed as of the grant date; and (C) not less than the Fair Market Value of a Share on the grant date.

6.3 Restricted Shares. The Administrator may from time to time grant to Eligible Participants Restricted Shares for cash in such amounts and on such terms and conditions, and for such consideration, as it shall determine provided that such Restricted Shares are not granted at less than their nominal value. Restricted Shares granted or sold pursuant to this Plan will be subject to the transfer, restrictive legends, Holding Locks, and other restrictions as determined in the sole discretion of the Administrator and set forth in the applicable Grant Agreement.

6.4 Restricted Share Units. The Administrator may from time to time grant to Eligible Participants RSUs for cash in such amounts and on such terms and conditions as it shall determine. RSUs granted to an Eligible Participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. An Award of RSUs shall be settled in cash, as determined in the sole discretion of the Administrator and set forth in the applicable Grant Agreement.

6.5 Irish Restricted Shares The Administrator may from time to time grant to Eligible Participants Irish Restricted Shares for cash in such amounts and on such terms and conditions, and for such consideration, as it shall determine provided that such Irish Restricted Shares are not granted at less than their nominal value. All shares of Irish Restricted Shares granted or sold pursuant to this Plan will be held under a trust arrangement. A Recipient holding Irish Restricted Shares shall not be entitled to assign, charge, pledge as security for a loan or other debt, transfer or otherwise dispose of the Irish Restricted Shares for the period set out in the Grant Agreement, except in the limited circumstances set out in the Grant Agreement. All Irish Restricted Shares granted or sold pursuant to this Plan will be subject to the transfer, restrictive legends, Holding Locks, and other restrictions as determined in the sole discretion of the Administrator and set forth in the applicable Grant Agreement.

7. Change in Control

In the event of a Change in Control, outstanding Awards shall be subject to the definitive agreement entered into by the Company in connection with the Change in Control. Subject to the requirements and limitations of applicable law and the ASX Listing Rules, the Board may, without the consent of the Recipient, provide for any one or more of the following with respect to all or a portion of any Award either in the grant of an Award or at the time of the Change in Control:

(a) acceleration of the exercisability, vesting and/or settlement of the Award or any Shares acquired pursuant thereto upon such conditions, including termination of the Recipient's Service prior to, upon, or following the Change in Control, as the Board determines;

(b) assumption, substitution or conversion of the Award by the surviving, continuing, successor, or purchasing entity or parent thereof into a substantially equivalent award with respect to acquiring entity's or its parent's securities; or

(c) cancellation of the Award in exchange for a payment with respect to each vested Share (and each unvested Share, if so determined by the Administrator) subject to such cancelled Award in (i) cash, (ii) Securities of the Company or of another business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a fair market value equal to the fair market value of the consideration to be paid per Share in the Change in Control, reduced (but not below zero) by the exercise or purchase price per Share, if any, under such Award; provided, however, that an Award having an exercise or purchase price per share equal to or greater than the fair market value of the consideration to be paid per Share in the Change in Control may be cancelled without payment of consideration to the holder thereof.

(d) Any Award or portion thereof that is neither assumed or continued by the acquiring entity in connection with the Change in Control nor exercised or settled as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

8. Miscellaneous

8.1 Withholding of Taxes, Personal Income Taxes. Eligible Participants and Recipients of Awards shall pay to the Company (or to an affiliate of the Company), or make provision satisfactory to the Administrator for payment of, any taxes and social security contributions required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax or social security liability respectively. The Company may, to the extent permitted by law, deduct any such tax and social security obligations from any payment of any kind otherwise due to the Recipient of an Award. In the event that payment to the Company of such tax or social security obligations is made in Shares, such Shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax and social security withholding obligation. Eligible Participants and Recipients of Awards shall bear any taxes, including personal income tax, employee payroll tax, and other similar (withholding) taxes, as well as social security contributions and similar payments, that are imposed on the Company (or an affiliate of the Company) by way of withholding or secondary liability, or on Eligible Participants or Recipients of Awards due to the grant, exercise, receipt or cancellation of or in connection with an Award under the Plan.

8.2 Withholding of Taxes – Share Options. Notwithstanding the provisions of Section 8.1, in the case of a grant of Share Options, Eligible Participants and Recipients of Stock Options are responsible for the discharge of any liabilities to tax that may arise as a result of the grant or exercise of the Share Option.

8.3 Transferability. Except as otherwise determined by the Administrator, no Award granted under the Plan shall be transferable by a Recipient otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Administrator in accord with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the Eligible Participant, only by the Eligible Participant or, during the period the Eligible Participant is under a legal disability, by the Eligible Participant's guardian or legal representative.

8.4 Corporate Records. Corporate action constituting the grant of an Award to any Recipient will be deemed completed as of the date of such corporate action,

unless a later effective date is expressly provided by the Administrator in granting the Award, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Recipient. In the event that the corporate records (including, without limitation, Administrator written consents in lieu of a meeting, resolutions, or minutes) documenting the corporate action constituting the grant of the Award contain terms (including, without limitation, the exercise price, vesting schedule or number of Shares) that are inconsistent with those contained in the Grant Agreement or related grant documents as a result of a clerical error in the preparation of the Grant Agreement or related grant documents, the corporate records will control, and the Recipient will have no legally binding right to the incorrect term contained in the Grant Agreement or related grant documents.

8.5 Electronic Delivery. By accepting an Award, the Recipient (a) consents to the electronic delivery of all information with respect to the Plan and the Awards, and any reports of the Company provided generally to the Company's shareholders; (b) acknowledges that the Recipient may receive from the Company a paper copy of any documents delivered electronically at no cost by contacting the Company by telephone or in writing; (c) further acknowledges that the Recipient may revoke his or her consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (d) further acknowledges that the Recipient understands that he or she is not required to consent to electronic delivery of documents.

8.6 Other Events

(a) Share Restriction Agreement. As a condition precedent to the grant of any Award under the Plan, the exercise or vesting of such an Award, or to the delivery of certificates or holding statements for Securities issued or transferred pursuant to any Award), the Administrator may require the Recipient or the Recipient's successor or permitted transferee, as the case may be, to become a party to a Restriction Deed or other share restriction agreement of the Company in such form(s) as the Administrator may determine from time to time.

(b) Termination, Amendment and Modification of the Plan. The Board may terminate, amend or modify the Plan or any portion thereof at any time before the Termination Date (and for the avoidance of doubt such termination, amendment or modification shall not adversely affect any Award already granted). Except as otherwise determined by the Board, the termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(c) Non-Guarantee of Service. Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the Service of the Company or shall interfere in any way with the right of the shareholders of the Company to remove such individual or with any contractual right of the Company to terminate such Service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

(d) Compliance with Securities Laws; Listing and Registration. If at any time the Administrator determines that the delivery of Securities under the Plan is or may be unlawful under the laws of any applicable jurisdiction, the right to exercise an Award or receive Securities pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Securities under the laws of any jurisdiction.

(e) Amendment of Awards. Under no circumstances may the terms of any outstanding Award be amended or modified to the extent restricted or prohibited by (or unless procedures are followed in accordance with) the ASX Listing Rules.

(f) Cancellation of Awards. Under no circumstances may a Share Option or RSU be cancelled unless (i) shareholder approval has been obtained for the cancellation of the Share Option or RSU, or (ii) no consideration is provided to the Eligible Participant in connection with the cancellation of the Share Option or RSU.

(g) New Issues. An Eligible Participant holding an Award cannot participate in a new issue of Shares in respect of those Awards without holding Shares.

(h) Representations. The Company may require that a Recipient, as a condition to exercise of an Award, and as a condition to the delivery of any Securities, make such written representations (including representations to the effect that such person will not dispose of the Securities so acquired in violation of applicable law) and furnish such information as may, in the opinion of counsel for the Company, be appropriate to permit the Company to issue the Securities in compliance with applicable law.

(i) No Trust or Fund Created. Neither the Plan nor any Award (other than in respect of Irish Restricted Shares) shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and Recipient or any other person. To the extent that any Recipient or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(j) Governing Law. The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable Irish Law without regard to its conflict of laws principles.

APPENDIX A
to
JAMES HARDIE INDUSTRIES plc
2020 NON-EXECUTIVE DIRECTOR EQUITY PLAN

COUNTRY-SPECIFIC TERMS AND CONDITIONS

This Appendix includes additional terms and conditions that govern the Awards granted to Recipients who reside in one of the countries identified below. Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan.

UNITED STATES OF AMERICA

The following rules set forth in this Appendix (the “**U.S. Rules**”) shall apply to Awards granted under the Plan to residents of the United States of America or persons who are otherwise subject to income taxation by the United States of America (“**U.S. Persons**”). If there is a conflict, whether express or implied, between the Plan and these U.S. Rules as applicable to U.S. Persons, the U.S. Rules shall prevail.

1. **Definitions.** The following capitalized terms will have the meanings set forth below, notwithstanding a contrary meaning give a term by the Plan.
 - a. “**Securities Act**” means the United States Securities Act of 1933, as amended.
 - b. “**Section 409A**” means Section 409A of the U.S. Code.
 - c. “**Securities Act**” means the United States Securities Act of 1933, as amended.
 - d. “**Separation from Service**” means a termination of employment or other service with the Company which constitutes a “separation from service” within the meaning of Section 409A.
 - e. “**U.S. Code**” means the United States Internal Revenue Code of 1986, as amended, and any applicable regulations and administrative guidelines thereunder.
2. **Rules Applicable to All Awards Granted to U.S. Persons.**
 - a. **Compliance with U.S. Securities Law.** The grant of Awards to Eligible U.S. Persons and the issuance of Shares pursuant to any Awards held by a U.S. Person shall be subject to compliance with all applicable requirements of United States federal and state law with respect to such securities and the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, no Award held by a U.S. Person may be exercised or Shares issued pursuant to Awards held by a U.S. Person unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the Shares issuable pursuant to the Awards or (b) in the opinion of legal counsel to the Company, the Shares issuable pursuant to the Awards may be issued in accordance with the terms of

an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares hereunder to any U.S. Person shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Shares, the Company may require a U.S. Person to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

- b. **Compliance with Section 409A.** All Awards granted to U.S. Persons are intended to comply with, or otherwise be exempt from, Section 409A. All such Awards shall be administered, interpreted, and construed in a manner consistent with Section 409A, as determined by the Company in good faith, to the extent necessary to avoid the imposition of additional taxes under Section 409A(a)(1)(B) of the U.S. Code. It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with any Awards that may result in deferred compensation within the meaning of Section 409A shall comply in all respects with the applicable requirements of Section 409A. Notwithstanding the foregoing, neither the Company nor the Administrator shall have any obligation to take any action to prevent the assessment of any tax or penalty on any Recipient under Section 409A, and neither the Company nor the the Administrator will have any liability to any Recipient for such tax or penalty.

3. **Rules Applicable to Share Options Granted to U.S. Persons.**

- a. **Exercise Prices of Share Options.** No Share Option granted to a U.S. Person shall have an exercise price that is less than 100% of the Fair Market Value of a Share on the date that the Share Option is granted, with such value determined in a manner that complies with Section 409A.

4. **Rules Applicable to Restricted Share Awards.**

- a. **Notice of Availability of Election under Section 83(b) of the U.S. Code.** Each Restricted Share agreement evidencing an award of Restricted Shares to a U.S. Person shall contain the following notice:
 - i. The Recipient understands that Section 83 of the U.S. Code taxes as ordinary income the difference between the amount paid for the Shares, if anything, and the fair market value of the Shares as of the date on which the Shares are "substantially vested," within the meaning of Section 83. In this context, "substantially vested" means that the right of the Company to reacquire Shares that remain unvested upon the Recipient's termination of employment or other service relationship with the Company (the "**Reacquisition Right**") has lapsed. The Recipient understands that he or she may elect to have his or her taxable income determined at the time he or she acquires the

Shares rather than when and as the Reacquisition Right lapses by filing an election under Section 83(b) of the U.S. Code with the Internal Revenue Service no later than thirty (30) days after the date of acquisition of the Shares. The Recipient understands that failure to make a timely filing under Section 83(b) will result in his or her recognition of ordinary income, as the Reacquisition Right lapses, on the difference between the purchase price, if anything, and the fair market value of the Shares at the time such restrictions lapse. The Recipient further understands, however, that if Shares with respect to which an election under Section 83(b) has been made are forfeited to the Company pursuant to its Reacquisition Right, such forfeiture will be treated as a sale on which there is realized a loss equal to the excess (if any) of the amount paid (if any) by the Recipient for the forfeited Shares over the amount realized (if any) upon their forfeiture. If the Recipient has paid nothing for the forfeited Shares and has received no payment upon their forfeiture, the Recipient understands that he or she will be unable to recognize any loss on the forfeiture of the Shares even though the Recipient incurred a tax liability by making an election under Section 83(b).

- ii. The Recipient understands that he or she should consult with his or her tax advisor regarding the advisability of filing with the Internal Revenue Service an election under Section 83(b) of the U.S. Code, which must be filed no later than thirty (30) days after the date of the acquisition of the Shares pursuant to the Restricted Share agreement. Failure to file an election under Section 83(b), if appropriate, may result in adverse tax consequences to the Recipient. The Recipient acknowledges that he or she has been advised to consult with a tax advisor regarding the tax consequences to the Recipient of the acquisition of Shares hereunder. ANY ELECTION UNDER SECTION 83(b) THE RECIPIENT WISHES TO MAKE MUST BE FILED NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE RECIPIENT ACQUIRES THE SHARES. THIS TIME PERIOD CANNOT BE EXTENDED. THE RECIPIENT ACKNOWLEDGES THAT TIMELY FILING OF A SECTION 83(b) ELECTION IS THE RECIPIENT'S SOLE RESPONSIBILITY, EVEN IF THE RECIPIENT REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO FILE SUCH ELECTION ON HIS OR HER BEHALF.
- iii. The Recipient must notify the Company in writing if the Recipient files an election pursuant to Section 83(b) of the U.S. Code. The Company intends, in the event it does not receive from the Recipient evidence of such filing, to claim a tax deduction for any amount which would otherwise be taxable to the Recipient in the absence of such an election.

5. **Rules Applicable to RSUs.**

- a. **Performance Hurdles and Vesting of RSUs.** At the time of the grant of an Award of RSUs to a U.S. Person, the Administrator may impose such performance hurdles or other conditions to the vesting of the RSUs as it, in its sole discretion, deems appropriate. Notwithstanding any provision of the Plan or any Grant Agreement to the contrary, once established at the time of grant, such performance hurdles or other conditions to the vesting of such RSUs may not be modified in any manner that could extend the performance period or otherwise delay or defer the date on which such conditions to vesting could be satisfied in a manner that would constitute an extension of the period in which compensation is subject to a substantial risk of forfeiture within the meaning of Section 409A.
- b. **Time of Settlement of RSU Awards.** Notwithstanding any provision of the Plan or any Grant Agreement to the contrary and except as complies with Section 5(c) below, no RSU Award granted to a U.S. Person shall permit the issuance of a Share or payment of a cash equivalent in settlement of a unit subject to the Award later than the 15th day of the third calendar month following the last day of the calendar year or Company fiscal year (whichever ends later) in which the unit “vests” (i.e., ceases to be subject to a “substantial risk of forfeiture” within the meaning of Section 409A).
- c. **Compliance with Section 409A of the Code.** In addition to the general provisions relating to Section 409A set forth in Section 2(b) of these U.S. Rules, the following rules shall apply to any RSUs that are subject to Section 409A:
 - i. Notwithstanding anything to the contrary in the Plan, these U.S. Rules or any Grant Agreement, (i) each compensation deferral and payment election must be made in writing and comply with requirements of Section 409A and (ii) no payment election shall provide for payment except at a specified time, pursuant to a fixed schedule or upon a permissible payment event in accordance with the requirements of Section 409A.
 - ii. Notwithstanding anything to the contrary in the Plan, these U.S. Rules or any Grant Agreement, to the extent required to avoid tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan on account of, and during the six (6) month period immediately following, the Recipient’s Separation from Service shall instead be paid on the first business day following the six-month anniversary of the Recipient’s Separation from Service (or upon the Recipient’s death, if earlier).
 - iii. Neither any Recipient nor the Company shall take any action to accelerate or delay the payment of any amount or benefits under any RSU Award in any manner which would not be in compliance with Section 409A.

- iv. Any right of a Recipient to receive installment payments (within the meaning of Section 409A) shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.
- v. Notwithstanding anything to the contrary in the Plan, these U.S. Rules or any Grant Agreement, to the extent that any amount constituting deferred compensation subject to Section 409A would become payable to a U.S. Person under the Plan by reason of a change in control of the Company, such amount shall become payable only if such event would also constitute a “change in control event” within the meaning of Section 409A.
- vi. Should any provision of the Plan, these U.S. Rules or any Grant Agreement be found not to comply with, or otherwise to be exempt from, the provisions of Section 409A as applicable to a U.S. Person, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the RSU Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A.
- vii. Notwithstanding the foregoing, neither the Company nor the Administrator shall have any obligation to take any action to prevent the assessment of any tax or penalty upon any U.S. Person under Section 409A, and neither the Company nor the Administrator will have any liability to any U.S. Person for such tax or penalty.

GERMANY

The following rules set forth in this Appendix (the “**German Rules**”) shall apply to Awards granted under the Plan to residents of Germany or persons who are otherwise subject to income taxation by Germany (“**German Persons**”). If there is a conflict, whether express or implied, between the Plan and these German Rules as applicable to German Persons, the German Rules shall prevail.

1. **Definitions.** The following capitalized terms will have the meanings set forth below, notwithstanding a contrary meaning give a term by the Plan.
 - a. **EU Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
2. **Rules Applicable to All Awards Granted to German Persons.**
 - a. **Compliance with EU and German Securities Law.** The grant of Awards to eligible German Persons and the issuance of Shares pursuant to any Awards held by a German Person shall be subject to compliance with all applicable requirements of EU and German law with respect to such securities and the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, no Award held by a German Person may be exercised or Shares issued pursuant to Awards held by a German Person unless (a) a securities prospectus pursuant to the EU Prospectus Regulation shall at the time of such exercise or issuance be in effect with respect to the Shares issuable pursuant to the Awards or (b) the Shares issuable pursuant to the Awards may be issued in accordance with the terms of an applicable exemption from the prospectus requirements of the EU Prospectus Regulation.

UNITED KINGDOM

The following rules set forth in this Appendix (the “**UK Rules**”) shall apply to Awards granted under the Plan to residents of the United Kingdom or persons who are otherwise subject to income taxation by the United Kingdom (“**UK Persons**”). If there is a conflict, whether express or implied, between the Plan and these UK Rules as applicable to UK Persons, the UK Rules shall prevail.

1. Rules Applicable to All Awards Granted to UK Persons.

This document does not constitute a prospectus for the purpose of the Prospectus Regulation (EU) 2017/1129 and the prospectus regulation rules issued by the Financial Conduct Authority (“**FCA**”) pursuant to section 84 of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) and has not been approved by or filed with the FCA.

The information contained in this document is only being made, supplied or directed at fewer than 150 persons in the United Kingdom (in accordance with section 85(1) of FSMA) and the Securities are not otherwise being offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 102B of the FSMA), save in circumstances where it is lawful to do so without an approved prospectus being made available to the public before the offer is made. In addition, in the United Kingdom no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Securities except in circumstances in which section 21(1) of FSMA does not apply to the Company and this document is made, supplied or directed at persons in the United Kingdom on a one-off non-real time communication basis in accordance with article 28 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) (the “**FPO**”); or (ii) persons who fall within another exemption to the FPO (all such persons being “**Relevant Persons**”). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

LIST OF SIGNIFICANT SUBSIDIARIES

The table below sets forth our significant subsidiaries as of 31 March 2021 all of which are 100% owned by James Hardie Industries plc, either directly or indirectly.

| Name of Company | Jurisdiction of Establishment | Jurisdiction of Tax Residence |
|--|--------------------------------------|--------------------------------------|
| Farmacell B.V. | Netherlands | Netherlands |
| Farmacell Schraplau GmbH | Germany | Germany |
| James Hardie 117 Pty Ltd | Australia | Australia |
| James Hardie Australia Pty Ltd | Australia | Australia |
| James Hardie Building Products Inc. | United States | United States |
| James Hardie Europe B.V. | Netherlands | Netherlands |
| James Hardie Europe GmbH | Germany | Germany |
| James Hardie Europe Holdings GmbH | Germany | Germany |
| James Hardie Holdings Limited | Ireland | Ireland |
| James Hardie International Finance Designated Activity Company | Ireland | Ireland |
| James Hardie International Group Limited | Ireland | Ireland |
| James Hardie International Holdings Limited | Ireland | Ireland |
| James Hardie NL1 B.V. | Netherlands | Netherlands |
| James Hardie NL2 B.V. | Netherlands | Netherlands |
| James Hardie NZ Holdings Limited | New Zealand | New Zealand |
| James Hardie North America, Inc | United States | United States |
| James Hardie Philippines Inc | Philippines | Philippines |
| James Hardie Research Pty Ltd | Australia | Australia |
| JH Research USA, LLC | United States | United States |
| James Hardie Spain S.L.U. | Spain | Spain |
| James Hardie Technology Holdings 1 Limited | Ireland | Ireland |
| James Hardie Technology Holdings 2 Limited | Ireland | Ireland |
| James Hardie Technology Limited | Bermuda | Ireland |
| James Hardie U.S. Investments Sierra Inc. | United States | United States |
| RCI Holdings Pty Ltd | Australia | Australia |

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jack Truong, certify that:

1. I have reviewed this annual report on Form 20-F of James Hardie Industries plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Jack Truong

Jack Truong
Chief Executive Officer

Date: 18 May 2021

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Miele, certify that:

1. I have reviewed this annual report on Form 20-F of James Hardie Industries plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: 18 May 2021

/s/ Jason Miele
Jason Miele
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

Each of the undersigned hereby certifies, in his capacity as an officer of James Hardie Industries plc (the “Company”), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- the Annual Report on Form 20-F for the fiscal year ended 31 March 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in such report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: 18 May 2021

/s/ Jack Truong

Jack Truong
Chief Executive Officer

/s/ Jason Miele

Jason Miele
Chief Financial Officer

- * The foregoing certification is being furnished as an exhibit pursuant to the rules of Form 20-F and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Form 20-F and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Form 20-F, irrespective of any general incorporation language contained in such filing).

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-14036) pertaining to the Amended and Restated James Hardie Industries plc 2001 Equity Incentive Plan;
- (2) Registration Statement (Form S-8 No. 333-153446) pertaining to the Amended and Restated James Hardie Industries plc Managing Board Transitional Stock Option Plan 2005 and the Amended and Restated James Hardie Industries plc Supervisory Board Share Plan 2006;
- (3) Registration Statements (Forms S-8 No. 333-161482, 333-190551, 333-198169, 333-206470 and 333-246178) pertaining to the Amended and Restated James Hardie Industries plc Long Term Incentive Plan 2006;
- (4) Registration Statement (Form S-8 No. 333-253533) pertaining to the James Hardie Industries plc 2020 Non-Executive Director Equity Plan

of our reports dated 18 May 2021, with respect to the consolidated financial statements of James Hardie Industries plc and the effectiveness of internal control over financial reporting of James Hardie Industries plc included in this Annual Report (Form 20-F) of James Hardie Industries plc for the year ended 31 March 2021.

/s/ Ernst & Young LLP

Irvine, California
18 May 2021

Consent of KPMG Actuarial, a division of KPMG Financial Services Consulting Pty Ltd (“KPMG Actuarial”) in relation to Form 20-F filing

We hereby consent to your references to KPMG Actuarial, a division of KPMG Financial Services Consulting Pty Ltd (“KPMG Actuarial”) and to our actuarial valuation report effective as of 31 March 2021, dated 18 May 2021 (the “Report”), and to make use of, or quote, information and analyses contained within that Report for the purpose of James Hardie Industries plc’s (“JHI plc”) Annual Report on Form 20-F for fiscal year ended 31 March 2021.

In addition, we hereby consent to your references to past actuarial valuations performed by KPMG Actuarial (formerly KPMG Actuarial Pty Ltd or KPMG Actuaries Pty Ltd) for the purpose of JHI plc’s (formerly JHI SE’s) Annual Report on Form 20-F for the fiscal year ended 31 March 2021.

Your attention is drawn to the Important Note at the beginning of the Executive Summary of the Report.

/s/ Neil Donlevy

Neil Donlevy MA FIA FIAA

Executive

KPMG Financial Services Consulting Pty Ltd

Fellow of the Institute of Actuaries (London)

Fellow of the Institute of Actuaries of Australia

Sydney, Australia

18 May 2021