

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 2019 (“Senior Executive Officers”) in fiscal year 2019, and also includes an outline of the key changes for fiscal year 2020. Further details of these changes are set out in the 2019 Notice of Annual General Meeting (“AGM”).

We first provide a summary of our business performance and the key remuneration considerations and decisions made in fiscal year 2019. We then describe in detail our remuneration philosophy, the individual elements of our remuneration program and the linkage between our remuneration programs and our pay-for-performance philosophy. For fiscal year 2019, our Senior Executive Officers are:

- Dr Jack Truong, CEO (from 31 January 2019);
- Louis Gries, Former CEO (through 31 January 2019);
- Matthew Marsh, CFO and Executive Vice President - Corporate;
- Sean Gadd, Executive Vice President - North America Commercial;
- Joseph Blasko, General Counsel and Chief Compliance Officer; and
- Zean Nielsen, Former Executive Vice President - Sales.

During the course of fiscal year 2019, we completed our previously announced CEO transition process. On 31 January 2019, Dr Jack Truong succeeded Louis Gries as CEO of James Hardie. Prior to being appointed as CEO, Dr Truong served as President, International Operations and Chief Operating Officer of James Hardie. Following the resignation of Mr Gries as CEO in January 2019, Mr Gries assumed the role of Strategic Advisor to James Hardie for the remainder of fiscal year 2019 in order to assist with the CEO transition. Effective 1 April 2019, Mr Gries retired from James Hardie.

In addition to the CEO transition, Sean Gadd, our Executive Vice President - North America Commercial, assumed responsibility for sales and marketing functions in North America, following the departure in December 2018 of Zean Nielsen, our former Executive Vice President - Sales.

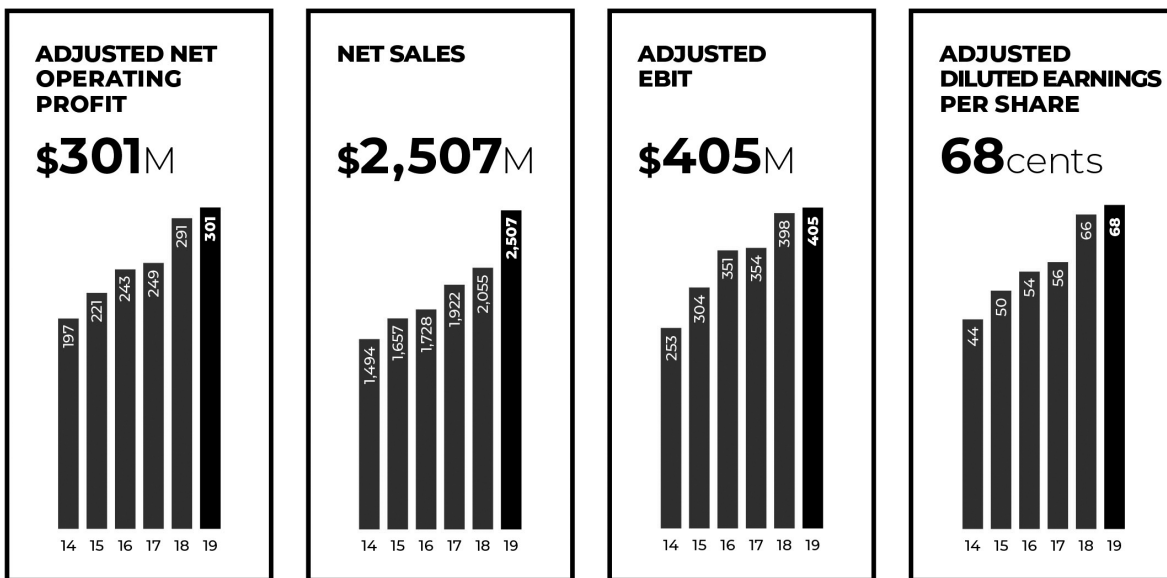
This Remuneration Report has been adopted by our Board on the recommendation of the Remuneration Committee.

EXECUTIVE SUMMARY

Fiscal Year 2019 Business Highlights¹

Our operating results for fiscal year 2019 reflected good and disciplined financial performance in a significant inflationary cost environment, highlighted by adjusted net operating profit of US\$300.5 million and adjusted earnings before interest and taxes (“EBIT”) of US\$404.6 million, an increase of 3% and 2%, respectively, compared to fiscal year 2018. In addition, we achieved net sales of US\$2.5 billion, an increase of 22% compared to fiscal year 2018, and US\$0.68 adjusted diluted earnings per share.

The following graphs show our performance for key financial measures during fiscal year 2019, 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 2019 Compensation Highlights

Our fiscal year 2019 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 2019:

- Dr Truong's fixed and variable compensation were increased in conjunction with his transition to the role of CEO (see page 52 for further details).
- A base salary increase for Mr Marsh was made to continue to align his compensation package with our CEO succession plan and our need to retain key senior executives through the CEO transition process.
- A base salary increase for Mr Gadd was made to properly align his compensation with the increase in his role scope and accountability that occurred during fiscal year 2019.
- There were no changes to Mr Gries' fixed or variable compensation. Mr Gries' base salary, target short-term incentive ("STI"), and target long-term incentive ("LTI") remained the same in fiscal year 2019 as they were for fiscal year 2018.
- No changes were made to the operation or components of the company performance plan ("CP Plan") or individual performance plan ("IP Plan") for our annual STI program for fiscal year 2019, other than to establish new targets which align with our strategic initiatives as we do every year. A complete description of the performance hurdles applicable for fiscal year 2019 for the CP Plan is set out in the section titled "Incentive Arrangements" later in this Remuneration Report.
- No changes were made to the design of the LTI Plan for fiscal year 2019. The LTI plan remains similar to the fiscal year 2018 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 2019 Total Target Compensation

Remuneration packages for Senior Executive Officers reflect our remuneration philosophy and comprise a mixture of fixed base salary and 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 2019:

Summary of Fiscal Year 2019 Senior Executive Officer Target Compensation				
Senior Executive Officer	FY2019 Annual Base Salary (US\$)	FY2019 STI Target Value (US\$)	FY2019 LTI Target Value (US\$)	FY2019 Total Target Compensation (US\$)
J Truong*	678,658	589,767	1,950,000	3,218,425
L Gries	950,000	1,187,500	4,000,000	6,137,500
M Marsh	630,000	472,500	1,200,000	2,302,500
S Gadd	550,000	330,000	800,000	1,680,000
J Blasko	437,750	262,650	500,000	1,200,400
Z Nielsen	525,000	315,000	1,000,000	1,840,000

* Base salary and STI Target is pro-rated based on the time Dr Truong was President - International Operation (5 months), Chief Operating Officer (5 months) and Chief Executive Officer (2 months) during fiscal year 2019.

Results of 2018 Remuneration Report Vote

In August 2018, our shareholders were asked to cast a non-binding advisory vote on our remuneration report for the fiscal year ended 31 March 2018. 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 2018 Annual General Meeting, our shareholders approved our remuneration report, with 89.9% 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 2019.

APPROACH TO SENIOR EXECUTIVE REMUNERATION

Remuneration Philosophy

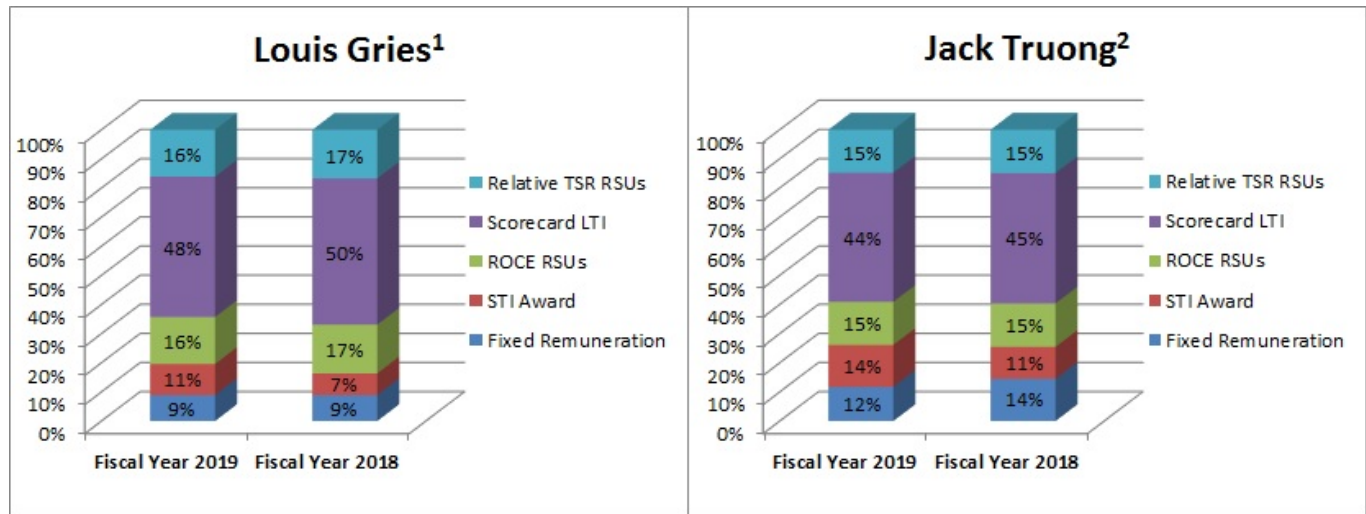
As our main business and all of our Senior Executive Officers are located in the US, our remuneration philosophy is to provide our Senior Executive Officers with an overall package that is competitive with Peer Group companies exposed to the US housing market. Within this philosophy, the executive remuneration 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.

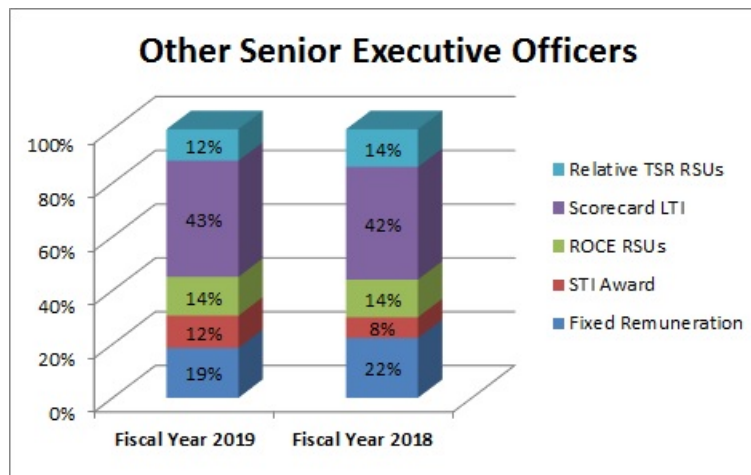
Relative Weightings of Fixed and Variable Remuneration

The charts below detail the relative weightings of fixed versus variable remuneration for the CEO and other Senior Executive Officers for fiscal years 2019 and 2018. Fixed remuneration includes base salary and other fixed benefits. Variable remuneration is comprised of STI awards and the following three LTI components: (i) Relative Total Shareholder Return ("TSR") Restricted Stock Units ("RSUs"); (ii) Return Capital Employed ("ROCE") RSUs; and (iii) Scorecard LTI, each of which are discussed in more detail in this Remuneration Report. STI awards include amounts earned under the CP and IP plans for each fiscal year, paid in June of the following fiscal year, and LTI components are shown at total maximum grant value.



¹Fiscal year 2019 reflects remuneration for Mr Gries in his roles as CEO and Strategic Adviser. Fiscal year 2018 reflects remuneration for Mr Gries in his role as CEO.

²Fiscal year 2019 reflects remuneration for Dr Truong in his roles as President - International Operations, COO and CEO. Fiscal year 2018 reflects Dr Truong's remuneration in his role as President - International Operations.



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 our recruitment, retention and termination policies and procedures for senior management. The current members of the Remuneration Committee are Persio Lisboa (Chairman), Brian Anderson, Russell Chenu, Michael Hammes and Alison Littlely, 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 85% of our CEO's total target compensation being performance-based "at risk" compensation and an average of approximately 70% 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 US growth and corporate performance levels are achieved	✗ Limited change-in-control benefits
✓ Set robust 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 2019. 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 2019 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 2020.

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. For fiscal year 2019, Valspar and Sherwin-Williams were removed from the Peer Group. Sherwin-Williams acquired Valspar and, as a consequence, the resulting organization no longer met our Peer Group criteria. Set forth below are the names of the 21 companies comprising the Peer Group, which was used to benchmark the remuneration of our Senior Executive Officers in fiscal year 2019.

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

Performance Linkage with Remuneration Policy

During its annual review, the Remuneration Committee assessed our performance in fiscal year 2019 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 2019 was, on the whole: (i) below target on growth measures and above target on returns measures, resulting in STI variable remuneration outcomes slightly above target for fiscal year 2019; and (ii) when taken together with performance in fiscal years 2017 and 2018, below our Peer Group on TSR performance, above expectations on ROCE performance, and on average, met expectations on long-term strategic measures included in the Scorecard, resulting in LTI variable remuneration being approximately at target for fiscal years 2017-2019.

More details about this assessment is set out on pages 40-41 and 43-48 of this Remuneration Report.

DESCRIPTION OF 2019 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 2019, 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. Participating employees were able to elect to reduce their current annual compensation by up to US\$19,000 in calendar year 2018 and have the amount of such reduction contributed to the 401(k) Plan, with a maximum eligible compensation limit of US\$280,000. In addition, we match employee contributions dollar for dollar up to a maximum of the first 6% of an employee's eligible compensation.

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 2019, 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)	Long Term Incentive Plan 2006 ("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 2019, the STI target percentage for Mr Gries was 125% of base salary, for Dr Truong a pro-rated target of 86% based on the various positions he held during the year, 75% of base salary for Mr Marsh and 60% of base salary for Messrs Gadd, Blasko and Nielsen, with 80% allocated to the CP Plan and 20% allocated to the IP Plan for all Senior Executive Officers.

Since fiscal year 2014, the Remuneration Committee has applied a 'circuit breaker' to the STI plans, which for Senior Executive Officers will prevent payment of any STI under the CP Plan unless our performance exceeds a level approved by the Remuneration Committee each year. For fiscal year 2019, the 'circuit breaker' for participants tied to the US plan was set at Primary Demand Growth ("PDG") achievement of greater than -2%. In the event the US business did not achieve PDG greater than -2% for fiscal year 2019, the US Achieved Multiple used in the calculation of any composite multiple would also be zero.

CP Plan

The CP Plan is based on a series of payout matrices for the US and Asia Pacific businesses, which provide a range of possible payouts depending on our performance against hurdles which assess volume growth relative to, and above, market ("Growth Measure"), earnings ("Return Measure"), and for the US business, performance of the interiors business and performance against certain "wood-look" competitors. Given the acquisition of Fermacell in April 2018, a CP Plan for James Hardie Europe ("JHEU") was developed based on revenue and returns similar in nature to the US and Asia Pacific plans. Each Senior Executive Officer can receive between 0.0x and 3.0x of their STI target allocated to the CP Plan based on the results of the plan the Senior Executive Officer is tied to. All Senior Executive Officers are tied to either the US multiple (Messrs Gadd and Nielsen) or a composite multiple derived from the metrics for the US, Asia Pacific and Europe businesses combined (75% US, 15% Asia Pacific and 10% Europe for Messrs Gries, Marsh and Blasko). Dr Truong had pro-rata percentages due to his various roles during fiscal year 2019.

Payout Matrices

We use both performance measures (Growth Measure and Return Measure) in the payout matrices for our US and Asia Pacific businesses in order to ensure that as management increases its top line market growth focus, it does not do so at the expense of short- to medium-term earnings. Management is encouraged to balance market growth and earnings returns since achievement of a higher reward requires management to generate both strong earnings and growth relative to and above market. Higher returns on one measure at the expense of the other measure may result in a lower reward or no reward at all.

To ensure that the payout matrices represent genuinely challenging targets aligned with our executive remuneration philosophy, the Growth Measure is indexed to take into account changes in new housing starts in both the US and Asia Pacific and the US repair and remodel market, while the Return Measure is indexed to take into account changes in pulp prices. The targets for the Return Measure exclude costs related to legacy issues.

For our business in Europe, our performance matrices use Revenues and a Return Measure. The plan for Europe is based on three components - Fiber Gypsum, Fiber Cement and integration.

The Remuneration Committee has reserved for itself discretion to change the STI paid. Examples of instances when the Remuneration Committee would consider exercising this discretion include external factors outside of management's control, and for the US CP Plan only, if the general shift toward smaller homes at each segment of the US market is considered sufficiently material. The Remuneration Committee will disclose the reasons for any such exercise of its discretion.

The Remuneration Committee believes that the payout matrices are appropriate because they provide management with an incentive to achieve overall corporate goals, balance growth with returns in our primary markets, recognize the need to flexibly respond to strategic opportunities, incorporate indexing relative to market growth to account for factors beyond management's control, and incorporate Remuneration Committee discretion to ensure appropriate outcomes. Payouts under the US matrix may range from 0% to 200% of target, while payouts under the Asia Pacific matrix may range from 0 to 300% of target.

We do not disclose the volume Growth Measure and earnings Return Measure targets for our US or Asia Pacific businesses since these are commercial-in-confidence. However, achieving a target payment for the Return Measure under either the US or Asia Pacific payout matrix for fiscal year 2019 would have required performance equal to the average of performance for the previous three years and the fiscal year 2019 plan. Achieving a target payout for the Growth Measure requires growth substantially above market growth.

Additional US Performance Metrics

In order to align and focus management's performance on initiatives that are key to the success of the US business, the US payout multiple for fiscal year 2019 is determined by performance against the matrix multiple (Growth and Return Measures for 70% of STI opportunity), the interiors product business multiple (for 10% of STI opportunity), and the "Wood-look" multiple (for 20% of STI opportunity). The overarching formula for the US payout multiple is:

$$\text{US Payout Multiple} = \underbrace{(70\% * \text{Matrix Multiple})}_{\text{Matrix Factor}} + \underbrace{(10\% * \text{Interiors Multiple})}_{\text{Interiors Factor}} + \underbrace{(20\% * \text{"Wood-look" Multiple})}_{\text{"Wood-look" Factor}}$$

For fiscal year 2019, each payout factor (Matrix Factor, Interiors Factor, and "Wood-look" Factor) is capped as follows to properly balance management's focus across volume growth, returns and key initiatives:

- Matrix Factor = capped at 2.0x
- Matrix Factor plus Interiors Factor = capped at 2.3x
- "Wood-look" Factor = capped at 1.25x

The Interiors Multiple is measured as a function of the revenue growth of our interiors business in fiscal year 2019. The "Wood-look" Multiple is measured as our growth against key "wood-look" competition.

We do not disclose the interiors volume growth or "wood-look" targets since these are commercial-in-confidence. However, achieving a target payment for fiscal year 2019 requires interior volume performance above fiscal year 2018 interiors volume and substantial growth against key "wood-look" competition.

IP Plan

Under the IP Plan, the Remuneration Committee approves a series of one-year individual performance goals which, along with goals on our core organizational values, 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 that have benefited us and contributed 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 based on achievement of individual performance and core organizational values goals.

STI Plan Performance for Fiscal Year 2019

Our CP Plan results and the subsequent STI payouts for fiscal year 2019 were slightly above target as a result of:

- the US business performing well above target on the Return Measure;
- the US business performing below target on the Growth Measure;
- the US business performing below target on the Interiors Factor and "Wood-look" Factor;
- Asia Pacific performing above target on the Growth Measure;
- Asia Pacific performing above target on the Return Measure due to higher returns in Australia, partially offset by below target returns in New Zealand and the Philippines; and
- Europe performing at target with a successful integration and retaining key business leaders with no business interruption.

In regards to the IP Plan, the Senior Executive Officers' performance and the subsequent STI payouts for fiscal year 2019 were at or above target based on each Senior Executive Officer's achievement of fiscal year 2019 one-year individual performance and core organizational values goals.

For fiscal year 2019, 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". In addition, Mr Gadd also received a one-time discretionary bonus of US\$100,000 to recognize the additional responsibilities undertaken during fiscal year 2019 for the sales organization.

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 companies; 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 2019, our Senior Executive Officers were granted the following awards under the LTIP:

	ROCE RSUs	TSR RSUs	Scorecard LTI Units
L Gries	122,211	226,709	366,634
J Truong	55,938	106,058	196,372
M Marsh	36,663	68,013	109,990
S Gadd	24,442	45,342	73,327
J Blasko	15,276	28,339	45,829
Z Nielsen	30,553	56,677	91,659

RSUs issued under our LTI programs will be settled upon vesting in CHES 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 2019-2021)

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 recovering US housing market and better optimization of our manufacturing plants. The three-year average ROCE for fiscal years 2016, 2017 and 2018 was 31%.

The hurdles for ROCE RSUs granted in fiscal year 2019 (for performance in fiscal years 2019 to 2021) were changed from those granted in fiscal year 2017 and 2018 as follows:

Fiscal Years 2017-2019 ROCE	Fiscal Years 2018-2020 ROCE	Fiscal Years 2019-2021 ROCE	Amount of Target to Vest
< 24.0%	< 25.0%	< 24.0%	0.0x
≥ 24.0%, but < 26.0%	≥ 25.0%, but < 27.0%	≥ 24.0%, but < 26.0%	0.5x
≥ 26.0%, but < 28.5%	≥ 27.0%, but < 29.5%	≥ 26.0%, but < 27.5%	1.0x
≥ 28.5%, but < 29.5%	≥ 29.5%, but < 30.5%	≥ 27.5%, but < 28.5%	1.5x
≥ 29.5%	≥ 30.5%	> 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 2020 (for Fiscal Years 2017-2019)

As a component of the fiscal year 2017 LTI Plan, we granted ROCE RSUs in September 2016. The ROCE RSUs comprised 40% 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 2017-2019 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 < 28.5%	1.0x
≥ 28.5%, but < 29.5%	1.5x
≥ 29.5%	2.0x

Based solely on the average ROCE result for fiscal years 2017-2019 of 31.3%, 2.0x target of the ROCE RSUs granted would have vested. However, based on the Remuneration Committee's assessment of the quality of returns balanced against management's delivery of market share growth, the Remuneration Committee determined that it would apply negative discretion in the amount of 40%. As such, 1.2x target of the outstanding fiscal year 2017 ROCE RSUs will vest on 16 September 2019. Unvested ROCE RSUs from this grant will be forfeited.

Relative TSR RSUs (25% of target LTI for Fiscal Years 2019-2021)

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 2019 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 2019, 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
< 40 th Percentile	0.0x
40 th Percentile	0.5x
> 40 th , but < 60 th Percentile	Sliding Scale
60 th Percentile	1.0x
> 60 th , but < 80 th Percentile	Sliding Scale
≥ 80 th Percentile	2.0x

No re-testing of fiscal years 2019-2021 Relative TSR RSUs is permitted.

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 2019

TSR RSUs Vested for Fiscal Years 2016-2019

As part of the fiscal year 2016 LTI Plan, in September 2015 we granted four and a half 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
< 40 th Percentile	0.0x
40 th Percentile	0.5x
> 40 th , but < 60 th Percentile	Sliding Scale
60 th Percentile	1.0x
> 60 th , but < 80 th Percentile	Sliding Scale
≥ 80 th Percentile	2.0x

In September 2018, the first test of Relative TSR performance was completed, resulting in our TSR performance at the 40.9th percentile of the peer group in place at that time. As a result, 0.52x of target outstanding Relative TSR RSUs vested.

TSR RSUs Vested for Fiscal Years 2015-2018

In addition, on 16 September 2018, the second test of the fiscal year 2015 Relative TSR RSUs was completed, resulting in our TSR performance at the 63.6th percentile of the peer group. As a result, an additional 0.43x

target of the outstanding TSR RSUs vested. The third test of this award was on 16 March 2019. The results were at the 59th percentile of the peer group; therefore, no further Relative TSR RSUs vested and the unvested balances were cancelled.

Scorecard LTI (50% of target LTI for Fiscal Years 2019-2021)

Scorecard LTI have 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 from 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 rating (between 0 and 100), 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 2019, 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 2018. An assessment of our Scorecard performance for fiscal years 2017-2019 is set out below. We will provide an explanation of the final assessment of performance under the Scorecard for fiscal years 2019-2021 at the conclusion of fiscal year 2021.

Scorecard LTI Vesting in Fiscal Year 2020 (for Fiscal Years 2017-2019)

After fiscal year 2019, the Remuneration Committee reviewed our performance over fiscal years 2017-2019 against the Scorecard objectives set forth in fiscal year 2017, 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 of 1.0x target.

Performance Measure/Rationale	Performance Metric/Results	Board Assessment for the Three-year Period
<p>Grow exterior cladding market share and maintain category share in the US business 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.</p>	<p>Goal: PDG above market. Our performance against 'wood-look' competition.</p> <p>Result: Average annual PDG performance for the three year period of 2.8% was well below the Board target. Growth above vinyl but below close alternatives also did not meet Board expectations.</p>	<p>Performance below expectations</p>
<p>Interiors Market Strategy Implementation</p>	<p>Goal: Growth above market of 2% per annum.</p> <p>Result: Interiors volume growth averaged negative 7% per annum during the three year period, not meeting the Board requirement.</p>	<p>Performance below expectations</p>
<p>Build US organizational and leadership capability in support of the 35/90 growth target The amount of growth that 35/90 entails requires lower turnover levels and an increase in management depth and organizational capability.</p>	<p>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.</p> <p>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 and Average annual turnover of 18.9% did not meet the Board target. Demonstrated improvement in the critical areas of leadership development, recruitment and onboarding of bench strength talent and employee engagement.</p>	<p>Performance met expectations</p>

Performance Measure/Rationale	Performance Metric/Results	Board Assessment for the Three-year Period
<p>Safety The safety of our employees is an essential objective of the Company.</p>	<p>Goal: Incident Rate ("IR") of 2.0 or below and severity rate ("SR") of 20.0 or below.</p> <p>Result: The global manufacturing IR and SR decreased from 1.5 & 25.6 during fiscal years 2014-16 to 1.1 & 19.4 during fiscal years 2017-19.</p> <p>Implemented Zero Harm strategy during the three year period and now completed second year of Zero Harm Safety Culture Initiatives.</p> <p>Despite the significant progress noted, management acknowledges the fatality in the Carole Park plant in 2017.</p>	<p>Performance met expectations</p>
<p>Pursue organic growth in all APAC markets and grow Scyon and new products to a greater proportion of APAC business.</p>	<p>Goal: James Hardie Australia ("JHA") annual growth above market of 4% while maintaining category share. James Hardie New Zealand ("JHNZ") annual growth above market of 3% while maintaining category share. Significant growth of Scyon product line.</p> <p>Result: JHA average annual growth above market of 7% and category share expansion significantly beat the Board requirement while expanding category share.</p> <p>JHNZ average annual growth above market of 4% while maintaining category share exceeded the Board requirement.</p> <p>Scyon Revenue Growth of over 50% significantly exceeded Board targets.</p>	<p>Performance exceeded expectations</p>

Performance Measure/Rationale	Performance Metric/Results	Board Assessment for the Three-year Period
<p>Manufacturing effectiveness and sourcing efficiency The Company operates a national US network of manufacturing facilities.</p>	<p>Goal: Commercial-in-confidence metrics for product efficiency, process efficiency, material yield and service level metric used to assess whether manufacturing and supply chain is effectively supporting our product leadership strategy.</p> <p>Result: Exceeded the process efficiency metric each of the three years.</p> <p>Exceeded the product efficiency target one of the three years and the three year average product efficiency metric met the expectations.</p> <p>Material Yield metric did not meet expectations.</p> <p>Service level metric improved each year during the period after working out of the capacity constrained position of fiscal year 2017.</p> <p>Successfully executed start-up and commissioning of 4 new lines representing 20% additional capacity to support the product leadership strategy.</p> <p>Defined and launched Lean manufacturing initiative in fiscal year 2019.</p>	<p>Performance met expectations</p>
<p>Define a clear vision and strategy for non-fiber cement business.</p>	<p>Goal: Define a clear vision and strategy for non-fiber cement business.</p> <p>Result: Acquisition of Fermacell during the period provides significant growth opportunity leveraging non-fiber cement technology products (fiber gypsum). Further, the acquisition also provides significant growth opportunity for fiber cement in Europe, providing a third region of significance for the Company. Further, the Company made the decision to discontinue its windows operations to ensure proper level of focus on core growth opportunities.</p>	<p>Performance met expectations</p>

CHANGES TO REMUNERATION FOR FISCAL YEAR 2020

Remuneration for Fiscal Year 2020

During May 2019, 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 2020.

CEO Compensation

For fiscal year 2020, there will be no changes to the CEO's base salary and target STI as established upon his promotion to CEO on 31 January 2019.

Other Senior Executive Officer Compensation

Base pay and target STI increases in fiscal year 2020 for other Senior Executive Officers are as follows:

Name	Base Salary		Target STI	
	Fiscal Year 2019 (US\$)	Fiscal Year 2020 (US\$)	Fiscal Year 2019 (US\$)	Fiscal Year 2020 (US\$)
J Truong	800,000	800,000	100%	No change
M Marsh	630,000	642,600	75%	No change
S Gadd	550,000	561,000	60%	No change
J Blasko	437,500	450,883	60%	No change
Z Nielsen	525,000	N/A	N/A	N/A

There are no changes to target LTI for the Senior Executive Officers for fiscal year 2020. Base salary increases for Messrs Marsh, Gadd, and Blasko were 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 2020, the STI metrics will continue to be the same as fiscal year 2019 except that the US Payout Multiple growth against the vinyl siding business will be 20% of the total goals replacing the "wood-look" goal in fiscal year 2020. Therefore, 70% will be a matrix of a growth measure and returns measure, 20% growth against vinyl and 10% growth in our interiors business. Additionally, the US Plan will cap the Matrix Factor and Vinyl Factor to 2.5x (for purposes of comparison); the fiscal year 2019 cap for the Matrix Factor and Interiors Factor was set at 2.3x.

The Europe and Asia Pacific plans will remain generally the same as fiscal year 2019.

For fiscal year 2020, all Senior Executive Officers will continue to be tied to either the US multiple (Mr Gadd) or a composite multiple derived from the metrics for the US, Asia Pacific and Europe businesses combined (70% US, 20% Asia Pacific and 10% Europe) for Dr Truong and Messrs Marsh and Blasko.

There will be no material change to the operation of the IP or CP Plans for fiscal year 2020.

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 2020 LTI Plan is consistent with the plan for fiscal year 2019 with updates to ROCE target measures and the Scorecard objectives.

The 2019 Notice of AGM will contain further details on the Relative TSR RSU and ROCE RSU grants for fiscal year 2020.

For fiscal year 2020, the Remuneration Committee has set the following eight Scorecard goals for each region (for the performance period in fiscal years 2020 to 2022) to ensure alignment with our strategic priorities:

	APAC	Europe	North America
PDG	1% - 6%	N/A	3% - 6%
Organic revenue growth	N/A	5% - 12%	N/A
EBIT Margin	20% - 25%	11% - 15%	21% - 26%
Lean - Cumulative over 3 Years	US\$19 million	US\$20 million	US\$100 million
Zero Harm	- Safe Start Implementation - Driver/Fleet Safety Program - DART rate: 0.20	- Replicate Systems from NA and APAC - Safe Start Implementation	- 5S World Class Facilities - Energy Control Program - DART rate: 0.20
Innovation	Commercial-in-confidence metrics for products and process efficiencies	Deliver a commercially viable portfolio of fiber cement products for the EU market	Commercial-in-confidence metrics for products and process efficiencies
People & Culture	- Turnover: 12% - Talent Management - Leadership Competencies	- Turnover: 8% - Talent Management - Leadership Competencies	- Turnover: 15% - Talent Management - Leadership Competencies
Environment, Social & Governance ("ESG")	Fiscal Year 2020: Establish team to globally drive ESG reporting improvement Fiscal Year 2021: Deliver ESG Report Fiscal Year 2022: ESG Report shows improvement across areas management flagged in Fiscal Year 2021 report		

OTHER EXECUTIVE COMPENSATION PRACTICESClawback 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 2019 LTI grants made to Dr Truong and Messrs Gries, Marsh, Gadd and Nielsen, 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 2020, 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 2019, all Senior Executive Officers have either achieved the minimum share ownership threshold or are within the initial five year accumulation period.

Equity Award Practices

Annual equity awards under the LTI Plan are generally approved by the Remuneration Committee in May of each year 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 2019. There are no loans outstanding to Senior Executive Officers.

Employment and Severance Arrangements

During fiscal year 2019, we maintained employment or severance agreements with each of Messrs Gries, Marsh, Nielsen and Dr Truong. In addition, upon appointment to CEO, Dr Truong entered into an employment agreement on 31 January 2019 and Sean Gadd entered into a severance agreement upon his acceptance of additional responsibilities effective 12 December 2018. 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 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 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 continuation coverage under the Company's health benefit plans; and
 - The Company will provide Dr Truong with reasonable professional outplacement services for a period of up to 24 months following the date of termination.

Employment Agreement with Louis Gries

Below is a summary of the key terms of Mr Gries' current employment agreement:

- Executive Employment Agreement renewed effective as of 14 October 2010 providing for service as Chief Executive Officer.
- Mr Gries 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\$950,000, 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.
- Provisions concerning consequences of termination of employment under specified circumstances, including: (i) termination by the Company for cause; (ii) termination by reason of death or disability; (iii) retirement; (iv) termination by the Company without cause or by Mr Gries with good reason; or (v) termination by Mr Gries without good reason.
- In the event that Mr Gries' employment is terminated by the Company for any reason other than for cause, or if Mr Gries voluntarily terminates his employment for good reason, the Company shall pay to Mr Gries, in addition to any compensation or reimbursements he would otherwise be entitled to up to the date of termination: (i) an amount equal to 150% of his then current base salary; (ii) an amount equal to 150% of his average annual STI bonus actually paid, calculated based on the three full fiscal years immediately preceding the year of termination; (iii) his prorated bonus; (iv) no pro rata forfeiture of his unvested RSUs/Scorecard LTI grants - these will vest in accordance with the terms and timing of the specific grants; and (v) continuation of health and medical benefits at the Company's expense for the duration of the consultation agreement referenced below, provided that Mr Gries signs the Company's release of claims without revocation and has been and continues to remain in compliance with his confidentiality and noncompetition obligations as set forth in this agreement.
- In the event of Mr Gries' retirement after the age of 65, or prior to age 65 with the approval of the Board, his then unvested RSUs and awards will not be forfeited and will be held through the applicable testing periods.
- In the event that Mr Gries' employment is terminated for any reason other than by the Company for cause or due to his death, in addition to any severance payment he may be entitled to as set forth above, the Company and Mr Gries each agree to enter into a consulting arrangement for a minimum of two years, as long as Mr Gries adheres to certain non-competition and confidentiality provisions and executes a release of claims following the effective date of termination. Under the consulting agreement, Mr Gries will receive his annual target STI bonus and annual base salary in exchange for his consulting services and non-compete.
- The Company may terminate the consulting arrangement and its obligations to make any further payments to Mr Gries in the event that Mr Gries willfully fails or refuses to carry out any material reasonable directions of the Board or the CEO or commits any willful act, which could include a violation of his covenant not to compete, or is convicted of a crime. In the event that the Company deems such conduct as reason for the Company to terminate Mr Gries for cause, Mr Gries shall not be entitled to payment of any compensation, including the lapse of his unvested RSUs and awards.

Employment Agreement with Matt Marsh

Below is a summary of the key terms of Mr Marsh's current employment agreement:

- Effective 15 May 2016, the Company entered into an employment agreement with Mr Marsh (the "Marsh Agreement"), which has an initial term of three years and automatic one year renewals thereafter unless either Mr Marsh or the Company notifies the other party at least 90 days before the expiration date that the Marsh Agreement is not to be renewed. In the event that the Company is the party that determines not to renew, such non-renewal shall be treated as a termination without "Cause" (as defined in the Marsh Agreement) and subject to the termination without "Cause" provisions of the Marsh Agreement.
- The Marsh Agreement provides for a base salary of not less than US\$560,000, or such greater amount as may be established by the Remuneration Committee, for Mr Marsh. The base salary shall be reviewed annually for increase in the discretion of the Remuneration Committee. Additionally, Mr Marsh shall be eligible for an annual STI award with payout opportunities that are commensurate with his position and duties, with a minimum target annual STI award opportunity of not less than 70% of the current base salary. Mr Marsh shall also be eligible to participate in our annual LTI plan on terms commensurate with his position and duties, with a minimum annual target LTI award opportunity of not less than US\$1,200,000.
- Mr Marsh shall be eligible for participation in our employee benefit, health and welfare plans and certain fringe benefits made generally available to Senior Executive Officers in accordance with Company policies.
- The Marsh Agreement contains provisions concerning the consequences of termination of employment under specified circumstances, including: (i) termination by the Company for Cause; (ii) termination by reason of death or disability; (iii) termination by the Company without Cause or by Mr Marsh with "Good Reason" (as defined in the Marsh Agreement); or (iv) termination by Mr Marsh without Good Reason. In particular, in the event the Company terminates Mr Marsh without Cause or Mr Marsh voluntarily terminates for Good Reason, Mr Marsh shall be entitled to: (i) a lump-sum amount equal to his unpaid base salary through and including the date of termination, as well as accrued, unused vacation pay and unreimbursed business expenses; (ii) a payment for any earned but unpaid annual incentive award for a completed calendar year prior to the date of termination; (iii) salary continuation for the two year period following the date of termination, provided the aggregate amount of such continuation payments shall be equal to the sum of (A) two times the base salary plus (B) one times the annual incentive award opportunity, as then in effect; (iv) an amount, if any, with respect to the annual incentive award opportunity for the year in which such termination of employment occurs, as determined under the terms and conditions of the Company's annual incentive program(s); (v) all outstanding equity awards will remain subject to the terms and conditions of the applicable equity incentive plan and any corresponding award agreement(s); (vi) monthly payments for a period of 18 months equal to the premium Mr Marsh would be required to pay for COBRA continuation coverage under James Hardie's health benefit plans, determined using the COBRA premium rate in effect for the level of coverage that Mr Marsh has in place immediately prior to termination; and (vii) the Company will assist Mr Marsh in finding other employment opportunities by providing to him, at James Hardie's limited expense, reasonable professional outplacement services through the provider of James Hardie's choice for a period of up to 24 months.
- Pursuant to the confidentiality, non-competition and non-solicitation provisions of the Marsh Agreement, for a period of 24 months following any termination of Mr Marsh's employment, Mr Marsh shall be prohibited from: (i) directly or indirectly acting, engaging in, have a financial or other interest in, or otherwise serving as an employee, agent, partner, shareholder, director, or consultant for certain designated competitors of the Company; and (ii) employing or retaining or soliciting for employment any person who is an employee or consultant of the Company or soliciting suppliers or customers of the Company or inducing any such person to terminate his, her, or its relationship with the Company.

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.

Severance Agreement with Zean Nielsen

In connection with Mr Nielsen's initial retention, we agreed to certain severance provisions and other employment terms. In regards to severance, Mr Nielsen was entitled to severance compensation in the event of his termination under specified circumstances. In particular, in the event the Company terminated Mr Nielsen without cause (as defined in his respective offer letter) or if Mr Nielsen voluntarily terminated his employment for Good Reason (as defined in his respective offer letter), then Mr Nielsen was entitled to: (i) a lump-sum amount equal to his unpaid base salary through and including the date of termination, as well as accrued, unused vacation pay and unreimbursed business expenses; (ii) a payment for any earned but unpaid annual incentive award for a completed calendar year prior to the date of termination; (iii) salary continuation for the two year period following the date of termination, provided the aggregate amount of such continuation payments shall be equal to the sum of (a) two times the base salary plus (b) one times the annual incentive award opportunity, as then in effect; (iv) an amount, if any, with respect to the annual incentive award opportunity for the year in which such termination of employment occurs, as determined under the terms and conditions of the Company's annual incentive program(s); (v) all outstanding equity awards will remain subject to the terms and conditions of the applicable equity incentive plan and any corresponding award agreement(s); (vi) monthly payments for a period of 18 months equal to the premium Mr Nielsen would be required to pay for COBRA continuation coverage under James Hardie's health benefit plans, determined using the COBRA premium rate in effect for the level of coverage in place immediately prior to termination; and (vii) reasonable professional outplacement services through a provider of James Hardie's choice for a period of up to 24 months.

In addition to the severance arrangement outlined above, in connection with his initial retention, we agreed to provide Mr Nielsen a target-level STI bonus for fiscal year 2018. We also agreed to make a series of six cash payments to Mr Nielsen each in the amount of US\$133,333, for an aggregate payment amount of US\$800,000 to the extent he remained employed by James Hardie throughout the payment period.

REMUNERATION PAID TO SENIOR EXECUTIVE OFFICERS

Total Remuneration for Senior Executive Officers

Details of the remuneration for Senior Executive Officers in fiscal years 2019 and 2018 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	
J Truong⁷								
Fiscal Year 2019	679,396	949,362	46,902	17,226	1,412,235	(337,627)	30,528	2,798,022
Fiscal Year 2018	576,923	718,515	44,685	24,508	621,741	39,814	302,355	2,328,541
L Gries⁸								
Fiscal Year 2019	950,000	1,453,500	142,152	17,259	6,041,539	(2,125,994)	—	6,478,456
Fiscal Year 2018	950,000	902,500	99,201	16,200	5,891,642	213,689	—	8,073,232
M Marsh								
Fiscal Year 2019	621,923	578,340	77,524	16,915	2,158,119	(731,729)	—	2,721,092
Fiscal Year 2018	589,231	319,200	73,023	16,754	1,947,188	111,348	—	3,056,744
S Gadd								
Fiscal Year 2019	525,289	373,200	47,548	17,210	1,389,526	(467,763)	100,000	1,985,010
Fiscal Year 2018	475,231	130,200	58,888	17,474	1,300,430	51,661	150,000	2,183,884
J Blasko								
Fiscal Year 2019	434,317	321,484	59,065	16,677	688,153	(240,355)	—	1,279,341
Fiscal Year 2018	419,615	206,550	53,235	16,477	691,901	30,025	—	1,417,803
Z Nielsen⁹								
Fiscal Year 2019	376,923	—	45,748	3,808	506,476	(212,519)	411,590	1,132,026
Fiscal Year 2018	298,077	300,000	24,263	—	621,741	39,814	266,667	1,550,562
TOTAL								
Fiscal Year 2019	3,587,848	3,675,886	418,939	89,095	12,196,048	(4,115,987)	542,118	16,393,947
Fiscal Year 2018	3,309,077	2,576,965	353,295	91,413	11,074,643	486,351	719,022	18,610,766

1 Base pay for fiscal years 2019 and 2018 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 years 2019, see "Incentive Arrangements" above in this Remuneration section. Amounts reflect actual STI awards to be paid in June 2019 and paid in June 2018, for fiscal years 2019 and 2018, 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 2019 and 2018 as well as adjustments to performance ratings based on review by the Board of Directors. During fiscal year 2019, there was a 26.6% decrease in our share price from US\$17.53 to US\$12.87. During fiscal year 2018, there was an 11.5% appreciation in our share price from US\$15.72 to US\$17.53.

- 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\$34,289 in fiscal year 2019, which is allocated for tax purposes to his services on the Company's Board. Dr Truong was elected to the Board on 31 January 2019.
- 8 L Gries' base pay includes US\$172,016 and US\$196,876 in fiscal years 2019 and 2018, respectively, which is allocated for tax purposes to his services on the Company's Board. Mr Gries resigned from the Board on 31 January 2019.
- 9 Mr Nielsen left the Company during fiscal year 2019. The amount in the Relocation Allowances and Other Nonrecurring column includes severance paid to Mr Nielsen following his exit from the Company.

Variable Remuneration Payable in Future Years

Details of the accounting cost of the variable remuneration for fiscal year 2019 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)						
	FY2019	FY2020	FY2021	FY2022	FY2023	TOTAL
J Truong	203,118	389,982	388,917	148,108	—	1,130,125
L Gries	498,288	806,962	804,757	—	—	2,110,007
M Marsh	130,528	211,385	210,808	80,280	—	633,001
S Gadd	87,018	140,922	140,537	53,520	—	421,997
J Blasko	54,385	88,075	87,834	33,449	—	263,743
Z Nielsen	—	—	—	—	—	—
	973,337	1,637,326	1,632,853	315,357	—	4,558,873

ROCE RSUs ² (US dollars)						
	FY2019	FY2020	FY2021	FY2022	FY2023	TOTAL
J Truong	83,494	140,933	140,548	53,524	—	418,499
L Gries	215,924	349,682	348,726	—	—	914,332
M Marsh	56,559	91,596	91,346	34,786	—	274,287
S Gadd	37,707	61,065	60,898	23,191	—	182,861
J Blasko	23,566	38,164	38,060	14,494	—	114,284
Z Nielsen	—	—	—	—	—	—
	417,250	681,440	679,578	125,995	—	1,904,263

Relative TSR RSUs ³ (US dollars)						
	FY2019	FY2020	FY2021	FY2022	FY2023	TOTAL
J Truong	166,036	278,952	278,190	105,941	—	829,119
L Gries	467,460	757,037	754,968	—	—	1,979,465
M Marsh	122,453	198,309	197,767	75,314	—	593,843
S Gadd	81,635	132,206	131,844	50,209	—	395,894
J Blasko	51,022	82,629	82,404	31,381	—	247,436
Z Nielsen	—	—	—	—	—	—
	888,606	1,449,133	1,445,173	262,845	—	4,045,757

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- 1 Represents annual SG&A expense for Scorecard LTI granted in August 2018, September 2018 and January 2019. The fair value of each award is adjusted for changes in our common stock price at each balance sheet date, adjusted for the fair value of estimated dividends, until the final scorecard rating is applied in August 2021 at which time the final values are based on the Company's share price and the senior executive's scorecard rating at the time of each respective vesting.
 - 2 Represents annual SG&A expense for the ROCE RSUs granted in August 2018 and September 2018. The fair value of each RSU is adjusted for changes in JHI plc's common stock price at each balance sheet date adjusted for the fair value of estimated dividends, until August 2021 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 August and September 2018 with fair market value estimated using the Monte Carlo option-pricing method.

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 2019.

Options

As at 30 April 2019, no Senior Executive Officers held stock options.

Restricted Stock Units

Name	Grant Date	Release Date	Holding and Unvested at 1 April 2018	Granted	Total Value at Grant ¹ (US\$)	Vested	Lapsed	Holding and Unvested at 30 April 2019	Fair Value per RSU ² (US\$)
<i>J Truong</i>	21-Aug-17 ³	21-Aug-20	61,726	61,726	\$ 471,019	—	—	61,726	\$ 7.6308
	21-Aug-17 ⁴	21-Aug-20	34,110	34,110	\$ 484,086	—	—	34,110	\$ 14.1919
	21-Aug-17 ⁶	21-Aug-20	61,726	61,726	\$ 471,019	—	—	61,726	\$ 7.6308
	21-Aug-17 ⁷	21-Aug-20	34,110	34,110	\$ 484,086	—	—	34,110	\$ 14.1919
	17-Aug-18 ³	17-Aug-21	—	56,677	\$ 494,864	—	—	56,677	\$ 8.7313
	17-Aug-18 ⁴	17-Aug-21	—	30,553	\$ 444,375	—	—	30,553	\$ 14.5444
	6-Sep-18 ³	17-Aug-21	—	49,381	\$ 334,255	—	—	49,381	\$ 6.7689
	6-Sep-18 ⁴	17-Aug-21	—	25,385	\$ 343,817	—	—	25,385	\$ 13.5441
<i>L Gries</i>	16-Sep-14 ^{3,5}	16-Sep-17	162,717	260,346	\$ 1,883,812	(62,561)	(100,156)	—	\$ 7.2358
	16-Sep-15 ³	16-Sep-18	292,514	292,514	\$ 2,448,459	(76,419)	—	216,095	\$ 8.3704
	16-Sep-15 ⁴	16-Sep-18	254,480	254,480	\$ 3,227,875	(178,136)	(76,344)	—	\$ 12.6842
	16-Sep-16 ³	16-Sep-19	218,159	218,159	\$ 2,334,585	—	—	218,159	\$ 10.7013
	16-Sep-16 ⁴	16-Sep-19	194,626	194,626	\$ 3,045,566	—	—	194,626	\$ 15.6483
	21-Aug-17 ³	21-Aug-20	246,902	246,902	\$ 1,884,060	—	—	246,902	\$ 7.6308
	21-Aug-17 ⁴	21-Aug-20	136,441	136,441	\$ 1,936,357	—	—	136,441	\$ 14.1919
	17-Aug-18 ³	17-Aug-21	—	226,709	\$ 1,979,464	—	—	226,709	\$ 8.7313
17-Aug-18 ⁴	17-Aug-21	—	122,211	\$ 1,777,486	—	—	122,211	\$ 14.5444	
<i>M Marsh</i>	16-Sep-14 ³	16-Sep-17	24,242	38,787	\$ 280,655	(8,339)	(15,903)	—	\$ 7.2358
	16-Sep-15 ³	16-Sep-18	65,816	65,816	\$ 550,906	(17,194)	—	48,622	\$ 8.3704
	16-Sep-15 ⁴	16-Sep-18	57,258	57,258	\$ 726,272	(40,080)	(17,178)	—	\$ 12.6842
	16-Sep-16 ³	16-Sep-19	65,448	65,448	\$ 700,379	—	—	65,448	\$ 10.7013
	16-Sep-16 ⁴	16-Sep-19	58,388	58,388	\$ 913,673	—	—	58,388	\$ 15.6483
	21-Aug-17 ³	21-Aug-20	74,071	74,071	\$ 565,221	—	—	74,071	\$ 7.6308
	21-Aug-17 ⁴	21-Aug-20	40,932	40,932	\$ 580,903	—	—	40,932	\$ 14.1919
	21-Aug-17 ⁶	21-Aug-20	74,071	74,071	\$ 565,221	—	—	74,071	\$ 7.6308
21-Aug-17 ⁷	21-Aug-20	40,932	40,932	\$ 580,903	—	—	40,932	\$ 14.1919	
17-Aug-18 ³	17-Aug-21	—	68,013	\$ 593,842	—	—	68,013	\$ 8.7313	
17-Aug-18 ⁴	17-Aug-21	—	36,663	\$ 533,241	—	—	36,663	\$ 14.5444	
<i>S Gadd</i>	16-Sep-14 ³	16-Sep-17	24,242	38,787	\$ 280,655	(8,339)	(15,903)	—	\$ 7.2358
	16-Sep-15 ³	16-Sep-18	47,533	47,533	\$ 397,870	(12,417)	—	35,116	\$ 8.3704
	16-Sep-15 ⁴	16-Sep-18	41,353	41,353	\$ 524,530	(28,947)	(12,406)	—	\$ 12.6842
	16-Sep-16 ³	16-Sep-19	35,451	35,451	\$ 379,372	—	—	35,451	\$ 10.7013
	16-Sep-16 ⁴	16-Sep-19	31,627	31,627	\$ 494,909	—	—	31,627	\$ 15.6483
	21-Aug-17 ³	21-Aug-20	49,380	49,380	\$ 376,809	—	—	49,380	\$ 7.6308
	21-Aug-17 ⁴	21-Aug-20	27,288	27,288	\$ 387,269	—	—	27,288	\$ 14.1919
	21-Aug-17 ⁶	21-Aug-20	49,380	49,380	\$ 376,809	—	—	49,380	\$ 7.6308
21-Aug-17 ⁷	21-Aug-20	27,288	27,288	\$ 387,269	—	—	27,288	\$ 14.1919	
17-Aug-18 ³	17-Aug-21	—	45,342	\$ 395,895	—	—	45,342	\$ 8.7313	
17-Aug-18 ⁴	17-Aug-21	—	24,442	\$ 355,494	—	—	24,442	\$ 14.5444	
<i>J Blasko</i>	16-Sep-14 ³	16-Sep-17	14,545	23,272	\$ 168,392	(5,003)	(9,542)	—	\$ 7.2358
	16-Sep-15 ³	16-Sep-18	29,251	29,251	\$ 244,843	(7,641)	—	21,610	\$ 8.3704
	16-Sep-15 ⁴	16-Sep-18	25,448	25,448	\$ 322,788	(17,813)	(7,635)	—	\$ 12.6842
	16-Sep-16 ³	16-Sep-19	24,543	24,543	\$ 262,642	—	—	24,543	\$ 10.7013
	16-Sep-16 ⁴	16-Sep-19	21,895	21,895	\$ 342,620	—	—	21,895	\$ 15.6483
	21-Aug-17 ³	21-Aug-20	30,863	30,863	\$ 235,509	—	—	30,863	\$ 7.6308
	21-Aug-17 ⁴	21-Aug-20	17,055	17,055	\$ 242,043	—	—	17,055	\$ 14.1919
	17-Aug-18 ³	17-Aug-21	—	28,339	\$ 247,436	—	—	28,339	\$ 8.7313
17-Aug-18 ⁴	17-Aug-21	—	15,276	\$ 222,180	—	—	15,276	\$ 14.5444	

Name	Grant Date	Release Date	Holding and Unvested at 1 April 2018	Granted	Total Value at Grant ¹ (US\$)	Vested	Lapsed	Holding and Unvested at 30 April 2019	Fair Value per RSU ² (US\$)
Z Nielsen	21-Aug-17 ³	21-Aug-20	61,726	61,726	\$ 471,019	—	(34,567)	27,159	\$ 7.6308
	21-Aug-17 ⁴	21-Aug-20	34,110	34,110	\$ 484,086	—	(19,102)	15,008	\$ 14.1919
	21-Aug-17 ⁶	21-Aug-20	61,726	61,726	\$ 471,019	—	(45,060)	16,666	\$ 7.6308
	21-Aug-17 ⁷	21-Aug-20	34,110	34,110	\$ 484,086	—	(24,901)	9,209	\$ 14.1919
	17-Aug-18 ³	17-Aug-21	—	56,677	\$ 494,864	—	(56,677)	—	\$ 8.7313
	17-Aug-18 ⁴	17-Aug-21	—	30,553	\$ 444,375	—	(30,553)	—	\$ 14.5444

- 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 Fair Value per RSU is estimated on the date of grant using a binomial lattice model that incorporates a Monte Carlo simulation for Relative TSR RSUs. The fair value for ROCE 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 Mr Gries was also granted a cash-settled award (equivalent to 11,164 units) on 16 September 2014. This cash-settled award may vest based on the same vesting criteria as his relative TSR RSU grant and may only vest in the event that his relative TSR RSU grant vests in full. Upon vesting, the award will be settled in cash based on the number of units vested and the fair market value of our shares of common stock as of the relevant vesting date.
- 6 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.
- 7 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.

Scorecard LTI

Name	Grant Date	Release Date	Holding and Unvested at 1 April 2018	Granted	Vested ¹	Lapsed	Holding and Unvested at 30 April 2019
<i>J Truong</i>	21-Aug-17	21-Aug-20	102,331	102,331	—	—	102,331
	21-Aug-17 ³	21-Aug-20	102,331	102,331	—	—	102,331
	17-Aug-18	17-Aug-21	—	91,659	—	—	91,659
	6-Sep-18	17-Aug-21	—	76,155	—	—	76,155
	31-Jan-19	17-Aug-21	—	28,558	—	—	28,558
<i>L Gries</i>	16-Sep-15	16-Sep-18	286,290	286,290	(95,334)	(190,956)	—
	16-Sep-16 ²	16-Sep-19	218,954	218,954	—	—	218,954
	21-Aug-17	21-Aug-20	409,323	409,323	—	—	409,323
	17-Aug-18	17-Aug-21	—	366,634	—	—	366,634
<i>M Marsh</i>	16-Sep-15	16-Sep-18	64,415	64,415	(23,189)	(41,226)	—
	16-Sep-16 ²	16-Sep-19	65,686	65,686	—	—	65,686
	21-Aug-17	21-Aug-20	122,797	122,797	—	—	122,797
	21-Aug-17 ³	21-Aug-20	122,797	122,797	—	—	122,797
	17-Aug-18	17-Aug-21	—	109,990	—	—	109,990
<i>S Gadd</i>	16-Sep-15	16-Sep-18	46,522	46,522	(16,747)	(29,775)	—
	16-Sep-16 ²	16-Sep-19	35,580	35,580	—	—	35,580
	21-Aug-17	21-Aug-20	81,865	81,865	—	—	81,865
	21-Aug-17 ³	21-Aug-20	81,865	81,865	—	—	81,865
	17-Aug-18	17-Aug-21	—	73,327	—	—	73,327
<i>J Blasko</i>	16-Sep-15	16-Sep-18	28,629	28,629	(10,306)	(18,323)	—
	16-Sep-16 ²	16-Sep-19	24,632	24,632	—	—	24,632
	21-Aug-17	21-Aug-20	51,165	51,165	—	—	51,165
	17-Aug-18	17-Aug-21	—	45,829	—	—	45,829
<i>Z Nielsen</i>	21-Aug-17	21-Aug-20	102,331	102,331	—	(57,306)	45,025
	21-Aug-17 ³	21-Aug-20	102,331	102,331	—	(74,702)	27,629
	17-Aug-18	17-Aug-21	—	91,659	—	(91,659)	—

- 1 Represents the number of Scorecard LTI awards vesting after the Remuneration Committee's application of the Scorecard in respect of fiscal years 2017-2019. A detailed assessment of the reasons for the Scorecard ratings was set out in the fiscal year 2018 Remuneration Report.
- 2 Scorecard LTI awards in respect of fiscal years 2017-2019 will vest on 16 September 2019. A detailed assessment of the Remuneration Committee's assessment of management's performance is set out on pages 46 to 48 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.

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 2017 AGM approved the current maximum aggregate base and committee fee pool of US\$2.8 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 2019.

Position	Fiscal Year 2019 (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 2019 and 2018

The table below sets out the remuneration for those non-executive directors who served on the Board during the fiscal years ended 31 March 2019 and 2018:

(US dollars)

Name	Primary Directors' Fees ¹	Other Payments ²	Other Benefits ³	TOTAL
M Hammes				
Fiscal Year 2019	426,794	447,059	30,509	904,362
Fiscal Year 2018	426,936	604,100	94,308	1,125,344
B Anderson				
Fiscal Year 2019	231,734	—	14,332	246,066
Fiscal Year 2018	237,876	—	—	237,876
D Harrison				
Fiscal Year 2019	220,734	—	23,673	244,407
Fiscal Year 2018	209,887	—	10,410	220,297
A Littley				
Fiscal Year 2019	214,734	—	—	214,734
Fiscal Year 2018	205,875	—	—	205,875
J Osborne				
Fiscal Year 2019	—	—	—	—
Fiscal Year 2018	86,302	—	—	86,302
R van der Meer				
Fiscal Year 2019	210,734	—	—	210,734
Fiscal Year 2018	219,876	—	—	219,876
R Chenu⁴				
Fiscal Year 2019	211,734	—	—	211,734
Fiscal Year 2018	214,876	—	—	214,876
A Gisle Joosen				
Fiscal Year 2019	214,734	—	—	214,734
Fiscal Year 2018	199,876	—	—	199,876
S Simms				
Fiscal Year 2019	92,558	—	—	92,558
Fiscal Year 2018	186,957	—	—	186,957
P Lisboa				
Fiscal Year 2019	223,799	—	—	223,799
Fiscal Year 2018	33,146	—	—	33,146
A Lloyd				
Fiscal Year 2019	83,859	—	—	83,859
Fiscal Year 2018	—	—	—	—
R Rodriguez				
Fiscal Year 2019	78,827	—	—	78,827
Fiscal Year 2018	—	—	—	—
Total Compensation for Non-Executive Directors				
Fiscal Year 2019	2,210,241	447,059	68,514	2,725,814
Fiscal Year 2018	2,021,607	604,100	104,718	2,730,425

- 1 Amount includes base, Chairman and Committee Chairman fees, as well as fees for attendance at ad hoc sub-committee meetings.
- 2 Amount for fiscal year 2019 relates to: (i) a supplemental compensation payment of US\$147,059 in relation to income for the year ended 31 December 2017 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; and (ii) a US \$300,000 exertion fee in recognition of the additional time commitment and contribution of the Chairman in association with: (i) his active participation in the induction, mentoring, support and assessment of newly recruited senior managers; (ii) the smooth transition of the former CEO and successful onboarding and induction of Dr Truong as both the CEO and as an executive director; and (iii) supporting Dr Truong in continuing the development of the high performance leadership team during the transition phase which is anticipated to continue through fiscal year 2020. A more complete description of the Chairman's role with regard to management succession planning is contained in Section 1 - Corporate Governance Report of this Annual Report. Amount for fiscal year 2018 relates to a supplemental compensation payment in relation to income from the years ended 31 December 2010 through 31 December 2016 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 and other costs connected with Board-related events paid for by the Company.
- 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 2019 and 2018

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

(In US dollars)	Years Ended 31 March	
	2019	2018
Managerial Services ¹	\$ 6,292,737	\$ 7,876,356
Director Services ²	2,725,814	2,927,303
	<u>\$ 9,018,551</u>	<u>\$ 10,803,659</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 former CEO L Gries and current CEO J Truong.
- 2 Includes compensation for all non-executive directors, which includes base, Chairman, Chairman exertion fee, supplemental compensation fee (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 L Gries and current CEO J Truong's remuneration paid as fees for their service on the JHI plc Board in fiscal years 2019 and 2018.

SHARE OWNERSHIP AND STOCK BASED COMPENSATION ARRANGEMENTS

As of 30 April 2019 and 30 April 2018, the number of CUFS and RSUs beneficially owned by Senior Executive Officers is set forth below:

Name	CUFS at 30 April 2019	CUFS at 30 April 2018	RSUs at 30 April 2019	RSUs at 30 April 2018
J Truong	—	—	353,668	191,672
L Gries	547,208	504,507	1,361,143	1,505,839
M Marsh	104,317	61,251	507,140	501,158
S Gadd	55,101	55,101	325,314	333,542
J Blasko	52,213	46,837	159,581	163,600
Z Nielsen	—	—	68,042	191,672

As of 30 April 2019 and 30 April 2018, the number of CUFS and RSUs beneficially owned by non-executive directors is set forth below:

Name	CUFS at 30 April 2019	CUFS at 30 April 2018
M Hammes ¹	44,109	44,109
B Anderson ²	18,920	18,920
R Chenu	105,518	105,518
A Gisle Joosen	3,420	2,480
D Harrison ³	19,259	19,259
P Lisboa ⁴	2,389	—
A Littlely ⁵	2,045	2,045
A Lloyd ⁶	18,000	—
J Osborne ⁷	—	—
R Rodriguez	—	—
S Simms ⁸	—	—
R van der Meer	17,290	17,290

- 1 35,109 CUFS held in the name of Mr and Mrs Hammes and 9,000 CUFS held as American Depositary Shares (“ADSs”) in the name of Mr and Mrs Hammes.
- 2 7,635 CUFS held in the name of Mr Anderson, 390 CUFS held as ADSs in the name of Mr Anderson and 10,895 CUFS held as ADSs in the name of Mr and Mrs Anderson.
- 3 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.
- 4 2,389 CUFS held as ADSs in the name of Mr Lisboa.
- 5 2,045 CUFS held as ADSs in the name of Ms Littlely.
- 6 18,000 CUFS held as ADSs in the name of Ms Lloyd.
- 7 Ceased to be a director on 18 August 2017.
- 8 Resigned from the Board on 24 August 2018.

Based on 442,269,905 shares of common stock outstanding at 30 April 2019 (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 2019 and none of the shares held by directors or Senior Executive Officers have any special voting rights. As of 30 April 2019, 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 2019, 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 2019, there were 3,351,122 RSUs granted and outstanding under the LTIP, as follows:

Restricted Stock Units				
Grant Type	Grant Date	Granted	Vested as of 31 March 2019	Outstanding as of 31 March 2019
TSR	September 2015	579,262	121,982	367,978
TSR	September 2016	456,819	—	422,684
ROCE	September 2016	407,539	—	377,087
TSR	August 2017	685,490	—	593,827
ROCE	August 2017	378,809	—	328,154
TSR - Retention	August 2017	246,903	—	201,843
ROCE - Retention	August 2017	136,440	—	111,539
TSR	August 2018	663,738	—	567,387
ROCE	August 2018	357,797	—	305,857
TSR	September 2018	49,381	—	49,381
ROCE	September 2018	25,385	—	25,385
Total Outstanding				3,351,122

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 2019, there were 2,765,598 Scorecard LTI units granted and outstanding under the LTIP, as follows:

Scorecard LTI		
Grant Type	Grant Date	Granted and Outstanding as of 31 March 2019
Scorecard	September 2016	424,224
Scorecard	August 2017	984,463
Scorecard - Retention	August 2017	334,622
Scorecard	August 2018	917,576
Scorecard	September 2018	76,155
Scorecard	January 2019	28,558
		2,765,598

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 2019, 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 617,793, 332,262 and 315,636 restricted stock units under the 2001 Plan in the years ended 31 March 2019, 2018 and 2017, respectively. Additionally, the Company has on occasion issued a small number of cash settled awards. As of 31 March 2019, there were 910,386 restricted stock units outstanding under this plan, divided as follows:

Restricted Stock Units			
Grant Date	Granted	Vested as of 31 March 2019	Outstanding as of 31 March 2019
December 2016	297,388	123,308	108,342
December 2017	320,909	75,554	204,957
February 2018	3,926	982	2,396
December 2018	545,185	3,475	522,083
March 2019	72,608	—	72,608
Total Outstanding			910,386

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