REMUNERATION REPORT

This Remuneration Report explains James Hardie's executive remuneration framework, and has been adopted by the Board on the recommendation of the Remuneration Committee.

The Company is not required to produce a remuneration report or to submit it to shareholders under Irish or Australian rules or regulations. However, taking into consideration its large Australian shareholder base, James Hardie has voluntarily produced a remuneration report for non-binding shareholder approval for some years and currently intends to continue to do so. This document reports on the Company's remuneration policies and practices in fiscal year 2013 and also voluntarily includes an outline of the key changes for fiscal year 2014. Further details of these changes are set out in the 2013 Notice of Annual General Meeting ("AGM").

During fiscal year 2013 the Remuneration Committee retained Aon Hewitt (in the US) and Guerdon Associates (in Australia) as its independent advisers.

1. APPROACH TO SENIOR EXECUTIVE REMUNERATION

1.1 Remuneration Philosophy

James Hardie's remuneration philosophy is to provide competitive remuneration, compared to US peer group companies exposed to the US housing market. Within this philosophy, the executive remuneration framework emphasises operational excellence and shareholder value creation through incentives which link executive remuneration with the interests of shareholders. The underlying policy of the executive remuneration framework is pay-for-performance. Remuneration received is aligned with performance achieved.

1.2 Composition of Remuneration Packages

Remuneration packages for senior executives reflect this remuneration philosophy and comprise:

- fixed pay and benefits ("Fixed Remuneration"); and
- variable performance pay ("Variable Remuneration").

Variable Remuneration is based on both:

- short-term incentives ("STI"); and
- long-term incentives ("LTI").

The Company's policy is to position senior executive Fixed Remuneration at the market median and total target direct remuneration (comprising Fixed Remuneration and target Variable Remuneration) at the market 75th percentile if stretch short and long-term target performance goals are met.

Performance goals for target Variable Remuneration are set with the expectation that the Company will deliver results in the top quartile of its listed, US peer group companies. 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.

1.3 Setting Remuneration Packages

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

Each year the Remuneration Committee reviews and approves a list of peer group companies which it uses for comparative purposes in setting remuneration for senior executives. As the Company's main business and all of its senior executives are in the US, the peer group comprises US listed companies exposed to the US housing market. This same peer group is also used to determine relative performance for the year's LTI equity grants.

Remuneration packages for senior executives are evaluated each year to make sure that they continue to achieve the Company's philosophy and are competitive with their US peer group and developments in the market. In making individual decisions, the Remuneration Committee takes into account:

- the senior executive's responsibilities and performance; and
- the results of an annual remuneration positioning review provided by the Remuneration Committee's independent advisor.

All aspects of the remuneration of the CEO and CFO are made by the Remuneration Committee and ratified by the Board. All aspects of the remuneration of the remaining senior executives are made by the Remuneration Committee on the recommendation of the CEO.

1.4 Senior Executives in fiscal year 2013

The Company's senior executives in fiscal year 2013 were:

- Louis Gries, Chief Executive Officer
- Joe Blasko, General Counsel
- Russell Chenu, Chief Financial Officer
- Mark Fisher, Executive General Manager – International

Nigel Rigby, Executive General Manager – US, was a senior executive until his separation from the Company on 30 June 2012.

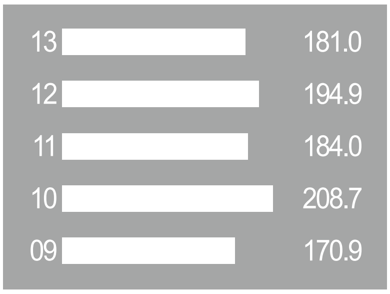
The executive remuneration framework described in this report also applies to the US Management Team, whose members work with the senior executives to manage the US business.

2. FISCAL YEAR 2013 COMPANY PERFORMANCE AND LINK WITH REMUNERATION POLICY

2.1 Actual Performance

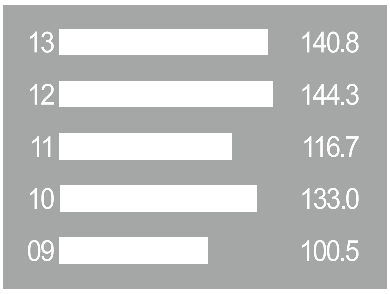
The Company's five-year EBIT and net income, and five-year A$ total shareholder return (including dividends and capital returns) mapped against changes in US housing starts are shown in the graphs below:

EBIT[1]
(Millions of US dollars)

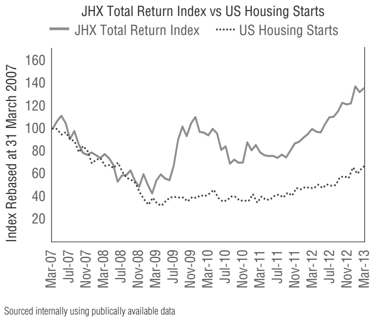


[1] Excludes asbestos, asset impairments, ASIC expenses and New Zealand product liability expenses.

Net Income[2]
(Millions of US dollars)



[2] Excludes asbestos, asset impairments, ASIC expenses, New Zealand product liability expenses and tax adjustments



Readers are referred to Section 4, "Glossary of Abbreviations and Definitions" which includes the reconciliation of adjusted EBIT and adjusted Net Operating Profit to the respective US GAAP equivalent measurements.

2.2 Market Conditions and Company Performance

The Company's executive remuneration framework provides a link between Company and individual performance and the Variable Remuneration received by senior executives.

Operating conditions in the US residential housing market improved during fiscal year 2013. According to the US Census Bureau, single family housing starts, which are one of the key drivers of the Company's performance, were 565,900 for fiscal year 2013, 27% above the prior year. Further, according to the National Association of Home Builders ("NAHB"), repair and remodel activity also increased slightly during fiscal year 2013.

Overall group operating earnings for fiscal year 2013 were stable compared to the prior year, reflecting stronger performance by our USA and Europe Fibre Cement segment, largely due to improved conditions in the US housing market, partially offset by lower contributed earnings in our Asia Pacific business. The Company expects that the improvement in the US operating environment reflects a sustainable recovery in the US housing market, although the recovery is expected to occur over a protracted period. In anticipation of the ongoing recovery, during the year the Company funded capacity expansions and initiatives to support market and organisational development in the US.

Sales volume in the US business increased 12% over the prior year. However, increased spending on these capacity increases as well as the market and organisational initiatives, along with the weaker Asia Pacific business result, constrained the impact of the strong USA and Europe Fibre Cement segment top line performance on the overall profitability of the Company.

2.3 Performance Linkage with Remuneration Policy

The Company sets performance goals and Variable Remuneration in the expectation that the Company will perform at or above a level equivalent to the 75^{th} percentile of the Company's peer group. This approach supports the Company's growth aspirations and provides appropriate alignment with shareholders. This means that even in years where shareholders have benefited from substantial share price growth, as they did during fiscal year 2013, senior executives may receive STI or LTI outcomes that are below target.

During its annual review, the Remuneration Committee assessed the Company's performance in fiscal year 2013 against the background of the gradual recovery in the US and the slight downturn in Australian markets. This review included reviewing fiscal year 2013 performance against:

- the Company's historical performance;
- the Company's peer group;
- the goals in the Company's Variable Remuneration STI and LTI plans; and
- the Scorecard, or key objectives and measures the Board expects to see achieved ("the Scorecard").

Based on that review, the Board and Remuneration Committee concluded that management's performance in fiscal year 2013:

- was below target and fiscal year 2012 on earnings measures and slightly above target on growth measures, resulting in STI Variable Remuneration outcomes being substantially below both target for fiscal year 2013 and amounts paid for fiscal year 2012; and
- was (taken together with performance in fiscal years 2011 and 2012) superior to the 75th percentile of its peer group of companies on long-term measures, such as those set out in the Scorecard, resulting in LTI Variable Remuneration being above target for fiscal years 2011-2013, although lower than performance in fiscal years 2010-2012.

More details about this assessment, including the percentage of the maximum Variable Remuneration awarded to or forfeited by senior executives is set out in Section 3 of this Remuneration Report below.

3. DESCRIPTION OF COMPANY'S REMUNERATION ARRANGEMENTS

This section describes the Company's remuneration arrangements applying in fiscal year 2013.

3.1 Overview of Variable Remuneration

The Company's Variable Remuneration incentive plans for senior executives in fiscal year 2013 were:

Duration	Plan Name	Amount	Form Incentive Paid
Short-term (1 year)	Individual Performance Plan ("IP Plan")	20% of STI Target	Cash
	Executive Incentive Plan ("EIP Plan")	80% of STI Target	Cash
Long-term (3-5 years)	Long Term Incentive Plan ("LTIP")	40% of LTI Target	Return on Capital Employed ("ROCE") Restricted Stock Units ("RSUs")
		30% of LTI Target	Relative Total Shareholder Return ("TSR") RSUs
		30% of LTI Target	Scorecard LTI (cash)

3.2 Short-Term Incentive Variable Remuneration

3.2.1 Overview of Short-Term Incentives

Each year, the Remuneration Committee approves a STI target for all senior executives, which is expressed as a percentage of base salary. The STI target is allocated between corporate goals (under the EIP Plan) and individual goals (under the IP Plan). There was no change to STI targets for senior executives in fiscal year 2013:

Position	STI target as % of base salary	% of STI target allocated to corporate goals	% of STI target allocated to individual goals
Chief Executive Officer	125%	80%	20%
Chief Financial Officer	33%	0%	100%
Other senior executives	45-65%	80%	20%

3.2.2 Corporate Short Term Incentives – Executive Incentive Plan

Each year, the Remuneration Committee approves a series of 'Payout Matrices' for the US and Asia Pacific segments which provide a range of possible STI payouts depending on the Company's performance against performance hurdles which assess growth above market ("Growth Measure") and earnings ("Return Measure").

Each senior executive (other than the CFO) can receive between 0% and 300% of their STI target allocated to corporate goals under the EIP Plan based on the blended Payout Matrix results for the US and Asia Pacific segments.

The Company uses two performance hurdles in the Payout Matrices to ensure that as management increases its top line growth focus, it does not do so at the expense of short- to medium-term returns. Management is encouraged to balance growth and earnings returns since achievement of strong rewards requires management to generate both strong earnings and growth 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.

The Remuneration Committee believes that the STI Plan Payout Matrices are appropriate because they:

- provide management with an incentive to achieve overall corporate goals;

- balance growth with returns;

- recognise the need to flexibly respond to strategic opportunities depending on our markets' ability to recover from the currently prevailing uncertain economic environment;

- incorporate indexing for factors beyond management's control; and

- incorporate Remuneration Committee discretion to ensure appropriate outcomes.

From fiscal year 2013, the Remuneration Committee also determined that the following adjustment would be made to the Growth Measure of the US Payout Matrix based on the Company's performance against market tracking data from the largest participants in the 'wood-look' products market (collectively, the "Wood-Aesthetic Market Index" or "WMI"):

- if the Company meets or exceeds the performance of all three WMI participants, 0.2x will be added to the Growth Measure;

- If the Company meets or exceeds the performance of two of the three WMI participants, there will be no change to the Growth Measure; and

- If the Company fails to meet or exceed the performance of more than one of the three WMI participants, then 0.2x will be subtracted from the Growth Measure.

The purpose of this amendment was to further focus management on increasing the Company's share of the exterior cladding market at the expense of 'wood-look' competitors, which is one of the Company's key strategies and, if successfully implemented, will create substantial value for shareholders.

To ensure that the Payout Matrices represent genuinely challenging targets aligned with the Company's executive remuneration philosophy, particularly in light of the gradual recovery in the US housing market, the Growth Measure and Return Measure are indexed to take into account changes in the US and Australian new housing starts, the US repair and remodel market and pulp prices. The targets for the Return Measure exclude costs related to legacy issues (including the impact of asbestos, ASIC proceedings, certain asset impairment charges and New Zealand product liability expenses) as well as the impact of exchange rate movements on the translation of earnings. The Remuneration Committee has reserved for itself discretion to change the STI paid on the basis of the Payout Matrices, and examples of instances when the Remuneration Committee would consider exercising this discretion include external factors outside of management's control and the impact of a management decision specifically endorsed by the Board. The Remuneration Committee will disclose the reasons for any such exercise of discretion in that year's Remuneration Report.

The Company does not disclose the Growth Measure and Return Measure targets since these are commercial in confidence. However, achieving a target payment for fiscal year 2013 would have required performance in excess of the average of the performance for the previous three years on both the Growth Measure and the Return Measure.

3.2.3 Individual Short Term Incentives—Individual Performance Plan

Each year, the Remuneration Committee approves a series of one-year STI goals which are used to assess the performance of senior executives. These include one-year achievement towards the three-year Scorecard goals as well as more specific STI one-year goals.

A senior executive can receive between 0% and 150% of their STI target allocated to individual goals under the IP Plan based on the Remuneration Committee's assessment of their contribution towards the Company's achievements on those one-year STI goals.

The Remuneration Committee believes that the IP Plan is appropriate because it links financial rewards to the senior executive's achievement of specific objectives that have benefited the Company and contributed to shareholder value and are not directly captured by the corporate component of the STI.

Board and Remuneration Committee assessment of management performance under STI Plans and for Fiscal Year 2013

The Company's results and the subsequent STI payouts for fiscal year 2013 were below STI target and fiscal year 2013 as a result of:

- the US business performing slightly above target on the Growth Measure (which requires performance well above market), due to strong category and market share growth. This included exceeding volume growth of the other fibre cement manufacturers, vinyl and engineered wood, resulting in the activation of a 0.2x 'exterior kicker' to the Growth Measure;

- the US business performing substantially below the Return Measure due to lower average net sales price, higher manufacturing costs, an unfavourable shift in product mix and increased organisational costs to enhance capability in anticipation of an improved operating environment in the US;

- Asia Pacific performing slightly below target on the Growth Measure, due to the Australia business achieving growth above its target in a declining market and the New Zealand and Philippines businesses achieving growth above market but below their respective targets; and

- Asia Pacific performing below target on the Return and Growth Measures, due to lower returns in Australia and the Philippines business failing to offset improvements in the New Zealand business as a result of a competitive operating environment.

In fiscal year 2013, after reviewing the charges for each individual plant, the Remuneration Committee exercised its discretion to exclude US$20.3 million of asset impairment and related charges across the Company's Fontana, Waxahachie, Summerville, Blandon, Peru and Cleburne plants from the Return Measure on the STI Plan Payout Matrices for the US business, for the following reasons:

- the Fontana, Waxahachie and Summerville charges related to work to re-commission idle assets at these plants in response to improving market demand to allow the Company to more cost-effectively pursue growth in key markets in a manner which is value accretive relative to operating the existing outdated assets at those plants. The Board and Remuneration Committee consider that management should not be disincentivised from such activities, which are clearly in the best interests of shareholders;

- the Blandon charges are a result of an appraisal that was performed in fiscal year 2013. The plant was idled in late 2007 during the housing downturn and during fiscal year 2013 management determined that the plant will not be re-opened; and has proposed the sale of the land and buildings at the Company's Blandon plant;

- the Peru charges relate to a prototype production line which was replaced by other lines with superior production capacity and economics and idled in fiscal year 2007, and which management now considers is unlikely to generate sufficient returns compared to existing and planned alternative capacity to support its carrying value; and

- the Cleburne expenses are asset impairment related charges and are as a result of the obsolescence and disposal of equipment and related spare parts.

The percentage of the maximum STI Variable Remuneration awarded to or forfeited by senior executives for (individual and corporate) performance in fiscal year 2013 compared to fiscal year 2012 was:

	Cash STI[1]	
	Awarded %	**Forfeited %**
L Gries		
Fiscal Year 2013	20	80
Fiscal Year 2012	56	44
J Blasko		
Fiscal Year 2013	25	75
Fiscal Year 2012	56	44
R Chenu		
Fiscal Year 2013	75	25
Fiscal Year 2012	100	-
M Fisher		
Fiscal Year 2013	22	78
Fiscal Year 2012	58	42
N Rigby		
Fiscal Year 2013	-	100
Fiscal Year 2012	56	44

1 **Awarded** = % of fiscal year 2012 or 2013 Cash STI maximum actually paid. **Forfeited** = % of fiscal year 2012 or 2013 Cash STI maximum foregone. STI amounts were paid in cash under the Executive Incentive Program and IP Plan.

3.2.4 Historical performance- Hybrid RSUs

Board and Remuneration Committee assessment of management performance under Hybrid RSU/ Executive Incentive Plans for Fiscal Years 2011-2013

In June 2011, the Company granted Hybrid RSUs to senior executives on the basis of management's performance against EBIT goals in fiscal year 2011. During fiscal year 2013, Hybrid RSUs, which are treated as STI transferred to LTI, vested. The Remuneration Committee reserved to itself the discretion to review fiscal year 2011 performance with the benefit of another two years' trading and assess whether those results were obtained at the expense of long term sustainability. Senior executives were granted 61,363 Hybrid RSUs, a grant equivalent to 25% of target (and 8% of maximum) Variable Remuneration allocated to the Hybrid RSUs. The Remuneration Committee reviewed the Company's performance in fiscal years 2012 and 2013 as part of the fiscal years 2011-2013 Scorecard LTI assessment, and determined that it would not apply any negative discretion in respect of these grants.

3.3 Description of LTI Variable Remuneration

3.3.1 Overview of Long-Term Incentives

Each year, the Remuneration Committee approves a LTI target for all senior executives. The LTI target is allocated between three separate components to ensure that senior executive performance is assessed based on a wide range of factors:

- 40% to ROCE—an indicator of growth in the value of the Company's capital efficiency over time;
- 30% to TSR RSUs—an indicator of the Company's performance relative to its US peers; and
- 30% to Scorecard LTI—an indicator of each senior executive's contribution to the Company achieving its long-term strategic goals.

The LTI target amounts for the senior executives in fiscal year 2013 were:

Position	LTI target
Chief Executive Officer	US$ 3.1 million
Other senior executives	US$250,000-US$350,000

3.3.2 ROCE RSUs (40% of target LTI)

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

- allow the Remuneration Committee to replace the interim one-year metrics previously used during the US housing downturn with three-year financial metrics;
- tie the reward's value to share price which provides alignment with shareholder interests;
- ensure that the Company earns appropriate returns on the additional capital it spends in response to the improvement in the US housing market; and

- allow the Remuneration Committee to disregard items impacting ROCE (both positive and negative) where those items are beyond management's direct influence and control.

In addition, a continuation of the Company's strong ROCE performance will create shareholder value.

The maximum payout for the ROCE RSUs is 200% of target LTI. This is a reduction from the 300% maximum payout for the Hybrid RSUs which the ROCE RSUs replaced in fiscal year 2013. However, given the challenging ROCE targets and the existence of negative discretion for the Remuneration Committee based on the quality of the returns balanced against management's delivery of market share growth and performance against the Scorecard, the Remuneration Committee expects that vesting of ROCE RSUs is unlikely to be higher than target (ie 50% vesting) in most years.

ROCE is determined by dividing EBIT by Capital Employed.

EBIT will be earnings before interest and taxation as reported in the Company's financial results, adjusted by:

- deducting the earnings impact of legacy issues (such as asbestos adjustments, including foreign exchange impact on the Company's asbestos provision, New Zealand product liability expenses and ASIC expenses);

- deducting leasehold expenses, since potential upcoming changes in international accounting standards could cause significant volatility in this component; and

- adding back asset impairment charges in the relevant period, unless otherwise determined by the Remuneration Committee. Since management's performance will be assessed on the pre-impairment value of the Company's assets, the Remuneration Committee would not normally deduct the impact of any asset impairments from the Company's EBIT for the purposes of measuring ROCE performance.

Capital Employed will start with net working capital and fixed assets (net of accumulated depreciation), which already excludes legacy issue-related items such as asbestos-related assets and liabilities, as reported in the Company's financial results, adjusted by:

- adding back asset impairment charges in the relevant period, unless otherwise determined by the Remuneration Committee, in order to align the Capital Employed with the determination of EBIT;

- adding back leasehold assets for manufacturing facilities and other material leased assets, which the Remuneration Committee believes give a more complete measure of the Company's capital base employed in income generation; and

- 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, in order to encourage management to invest in capital expenditure projects that are aligned with the long-term interests of the Company.

The resulting Capital Employed for each quarter of any fiscal year will be averaged to better reflect Capital Employed through a year rather than at a certain point in time.

ROCE goals for the ROCE RSUs are based on historical results and take into account the expected impact of the recovery in the US housing market on EBIT and Capital Employed. Achievement in order to receive awards at LTI target (ie 50% vesting) will require improvement on the average of the performance of the Company for fiscal years 2010 to 2012 (after indexing for market improvements). The ROCE result in fiscal year 2013 was 18.0%

The goals for ROCE RSUs granted in fiscal year 2013 (for performance in fiscal years 2013 to 2015) were:

ROCE	% of ROCE RSUs vested
< 18.5%	0%
≥18.5%, but < 19.5%	25%
≥19.5%, but < 20.5%	50%
≥20.5%, but < 21.5%	75%
≥21.5%	100%

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 following vesting of the ROCE RSUs. This discretion can only be applied to reduce the number of shares which will vest.

3.3.3 Relative TSR RSUs (30% of target LTI)

The Remuneration Committee believes that Relative TSR RSUs are an appropriate component of the LTI Plan because they provide alignment with shareholders—even if macro conditions create substantial shareholder value, senior executives will only receive payouts if the total shareholder return of the Company's shares exceeds a specified percentage of the Company's peer group over a performance period.

The Company has used Relative TSR RSUs in its LTI Plan for some years. The Remuneration Committee made the following changes to the Relative TSR RSUs in fiscal year 2013:

- decreased the maximum payout from 300% of target LTI to 200%;
- shifted the payout schedule to commence payouts at the 40^{th} percentile and provide maximum payouts at the 80^{th} percentile; and
- removed three companies from the peer group (since they had been excluded from the peer group used for benchmarking purposes).

Total shareholder return measures changes in the share price of the Company and its peer group and assumes all dividends and capital returns are reinvested when paid.

The peer group for Relative TSR RSUs consists of the same peer group of companies exposed to the US housing market which the Company uses for compensation benchmarking purposes. The Remuneration Committee believes that US companies form a more appropriate peer group than ASX-listed companies as they are exposed to the same macro factors in the US housing market as the Company faces. The names of the companies comprising the peer group for each grant of Relative TSR RSUs are set out in section 8 of this Remuneration Report.

The Company's relative TSR performance will be measured against the peer group over a three- to five-year period from grant date, with testing after the third year, and then every six months until the end of year five. To eliminate the impact of short-term price changes, the starting point and each test date are measured using an average 20 day closing price.

Relative TSR RSUs will vest based on the following straight-line schedule:

Performance against Peer Group	% of Relative TSR RSUs vested
<40th Percentile	0%
40th – 79th Percentile	Sliding Scale
≥80th Percentile	100%

The Remuneration Committee considered whether to retain re-testing in fiscal year 2013, given some investors prefer a single test for relative performance measures. The Remuneration Committee concluded that, given that the Company will incur the same accounting expense irrespective of the vesting outcome, retaining Relative TSR RSUs is more effective from a cost-benefit perspective. However, the number of re-tests will be reduced for TSR grants made in fiscal year 2014. The Remuneration Committee will continue to monitor the appropriate number of re-tests each year.

3.3.4 Scorecard LTI (30% of target LTI)

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

- allows the Remuneration Committee to set and reward executives on a balance of longer-term financial, strategic, business, customer and organisational development goals which it believes are important contributors to long-term creation of shareholder value;
- ties the reward's value to the Company's share price over the medium-term; and
- allows flexibility to apply rewards across different countries, while providing executives 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.

Each year, the Remuneration Committee approves a number of key management objectives, including for individual senior executives, and the measures it expects to see achieved in relation to these objectives. These objectives are incorporated into that year's grant of Scorecard LTI. The Remuneration Committee monitors progress against the Scorecard twice each year. At the end of the three-year period, the Remuneration Committee assesses the Company's performance on each key objective and each individual senior executive's contribution to those achievements (with scores between 0 and 100) (and the Board reviews that assessment). Senior executives may receive different ratings depending on the contribution they have made during the three-year period. Although most of the objectives in the Scorecard have quantitative targets, the Company considers some of the targets to be commercial-in-confidence.

The Company has used Scorecard LTI in its LTI Plan for some years. Since the Company's three-year priorities change from year to year, the Remuneration Committee expects that changes will be made to the Scorecard goals from time to time. The following changes to the Scorecard LTI goals were made for fiscal year 2013:

Goal	Change	Reasons
Primary demand growth	Supplemented to include growth against 'wood-look' products.	To provide greater focus on the market segments where the Company can increase fibre cement's share of the market.
Product Mix Shift	No change to the objective. But as the Company develops new differentiated products, measurement of this goal will include those products.	Product mix shift is a key part of the Company's product leadership through creating new differentiated value-added products.
Managing during the Economic Crisis	Replaced with a new goal 'Positioning the Company for potential recovery'.	Moving the Company to a more appropriate financial leverage and being ready to grow as the US housing market recovers.
Legacy Issues	Removed.	Most of the Company's legacy issues which existed in FY2004 or which subsequently have been addressed or resolved.

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

The amount received by senior executives is based on both the Company's share price performance over the three years from the grant date and the senior executive's Scorecard rating. At the start of the three-year performance period, the Company will calculate the number of shares the senior executives could have acquired if they received a maximum payout on the Scorecard LTI at that time (based on a 20 working day closing average). Depending on the senior executive's rating (between 0 and 100), between 0% and 100% of the senior executive's Scorecard LTI awards will vest at the end of the three-year performance period. Each senior executive will receive a cash payment based on the Company's share price at the end of the period (based on a 20 working day closing average) multiplied by the number of shares 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 2013, including the method of measurement, historical performance against the proposed measures and the Board's expectations, were previously set out in the 2012 AGM Notice of Meeting. An assessment of the Company's Scorecard performance for fiscal years 2011-2013 is set out below. The Company will provide an explanation of the final assessment of performance under the Scorecard for fiscal years 2013-2015 at the conclusion of fiscal year 2015.

Board and Remuneration Committee assessment of management performance under Scorecard LTI for Fiscal Years 2011-2013

The Remuneration Committee's review of the Company's performance over fiscal years 2011-2013 against the Scorecard objectives, and the contribution of individual senior executives, resulted in senior executives receiving a weighted average Scorecard rating of 50% (from a range of 50% to 55%). Although these ratings resulted in outcomes above target in respect of fiscal years 2011-2013, the amount of reward is lower than in respect of fiscal years 2010-2012, where the weighted average Scorecard rating was 61% (from a range of 50% to 83%).

The Remuneration Committee's assessment of the Company's performance over the fiscal years 2011-2013 based on the Scorecard objectives as determined in mid-2010 is:

Measure	Performance over period	Board Requirement	Reasons	Assessment of Management's Performance
US Primary Demand Growth for Exteriors ("PDG")	FY13: 6.8% FY12: 10.6%[1] FY11: (6.2)%[1] [1] Figures have been restated to reflect updated methodology calculation.	**Minimum:** Maintain relative to exterior market **Stretch:** Primary demand growth relative to exterior market	A key strategy for the Company is to maximise its market share growth/ retention of the exterior cladding market for new housing and for repair & remodel segments, which it does by growing fibre cement's share of the exterior cladding market and by maintaining the Company's share of the fibre cement category.	Growth above stretch target achieved over three year period. Negative result in FY11 recovered and improved in FY12 and FY13.
US Product Mix Shift	Color Plus and Artisan penetration improved each year.	**Board Minimum:** 5% annual improvement in penetration of ColorPlus and Artisan products **Stretch:** 10% annual improvement in penetration of ColorPlus and Artisan products	The Company aims to maintain its leadership position across the fibre cement category of the exterior cladding market by developing new products/ marketing/manufacturing approaches that will result in an improved mix of our products and gross margins.	Performance above stretch target, although ColorPlus improvement flattened in FY13, which is being addressed by the creation of a dedicated ColorPlus organisation.
US Zero To the Landfill ("ZTL")	Over the three years the Company made significant progress in reducing the amount of materials sent to landfill.	**Minimum:** 5% annual reduction of equivalent dumpsters sent to landfill **Stretch:** 7% annual reduction of equivalent dumpsters sent to landfill	This measure is a primary contributor to the Company's environmental goals and improving material yield will reduce manufacturing costs. In addition, achieving important environmental, social and governance ("ESG") goals reduces risk.	Good progress throughout period. Machine utiisations now at design and reliability close to being able to support the ZTL initiative. The elimination rate slowed as savings became more difficult to find. The goal was expanded in FY11 to a broader manufacturing efficiency goal.

Measure	Performance over period	Board Requirement	Reasons	Assessment of Management's Performance
Safety	FY13: 1.57 28.9 FY12: 1.46 18.1 FY11: 1.74 18.8	No fatalities **Minimum:**10.4 Incident Rate ("IR") (FY10 industry average) and 50 Severity Rate ("SR") **Stretch:** 2.0 IR and 20 SR	Safety of Company employees is an essential ESG measure.	Performance generally above stretch goals throughout period. Results below 2 IR and 20 SR are now expected.
Strategic Positioning	JH Europe re-set as a growth business with expanded products and reach. Established new R&D centre to provide platform for activity to reduce reliance on fibre cement. Shaped trim and pultruded fibreglass offerings developing.	The Board expects that management will continue to diversify to provide more balance and greater profit opportunities to Company.	Developing and, as appropriate, implementing, alternative strategic actions for sustainable growth beyond the Company's traditional markets will create shareholder value through increased profits and diversification for lower risk.	Progressing as planned and exceeded minimum goals.
Legacy Issues	All major legacy issues known to exist in FY10 concluded.	**Minimum:** Resolve or address the Dutch domicile and make substantial progress on others **Stretch:** Resolve or address all legacy issues	Resolution of these issues is a fundamental component of the Company's ESG goals, paving the way to lower risk and more certainty for all stakeholders.	Performance met stretch goals. All major legacy issues concluded, largely in the Company's favour. Only remaining issue is conclusion of appeals of certain former directors and officers in the ASIC litigation (the Company is no longer involved in these proceedings).

Measure	Performance over period	Board Requirement	Reasons	Assessment of Management's Performance
Managing During the Economic Crisis	Good results in downturn but the transition to market recovery has not gone as forecast, with EBIT margins below target	Maintain an adequate capital structure.	With the US building materials industry experiencing a downturn unprecedented in the past 60 years, managing the Company through this time so it can emerge at the end of this period in as strong or stronger competitive position in the overall industry is crucial.	Successful progress on capital structure and refinancing. Focus during the period was also expanded to include transition to market recovery, where performance has been below Board expectations.
Talent Management/ Development	The Company continues to have a strong management team.	It is not possible to set a specific goal for this measure beyond requiring that management capability be retained and grown.	Improving management development and capability is important to the Company's future growth.	Performance met Board expectations. Significant improvements in FY13 offset inadequate FY12 outcomes.

More detailed information on LTI Plans

More detailed information about the Company's LTI plans, including certain information required under applicable US laws, is set out in section 8 of this Remuneration Report.

3.4 Overview of Fixed Remuneration

Fixed remuneration consists of base salaries, non-cash benefits, participation in a defined contribution retirement plan and superannuation contributions.

3.4.1 Base Salaries

Base salary provides a guaranteed level of income that recognises the market value of the position and internal equities between roles, and the individual's capability, experience and performance. Base salaries for senior executives are positioned around the market median for positions of similar responsibility. Base salaries are reviewed by the Remuneration Committee each year, although increases are not automatic.

3.4.2 Non-Cash Benefits

James Hardie's executives may receive non-cash benefits such as a cost of living allowance, medical and life insurance benefits, car allowances, membership of executive wellness programs, long service leave and an annual financial planning allowance (which includes tax return preparation assistance).

3.4.3 Retirement Plan/Superannuation

In every country in which it operates, the Company offers employees access to pension, superannuation or individual retirement savings plans consistent with the laws of the respective country.

We sponsor a US defined contribution plan, the James Hardie Retirement and Profit Sharing Plan, for our employees in the United States and a defined benefit pension plan, the James Hardie Australia Superannuation Plan, for our employees in Australia. The US defined contribution plan is a tax-qualified retirement and savings plan ("401(k) Plan") covering all US employees, subject to certain eligibility requirements. Participating employees may elect to reduce their current annual compensation by up to US$17,500 in calendar year 2013 and have the amount of such reduction contributed to the 401(k) Plan, with a maximum eligible compensation limit of US$255,000. In addition, we match employee contributions dollar for dollar up to a maximum of the first 6% of an employee's eligible compensation.

The James Hardie Australia Superannuation Plan is funded based on statutory requirements in Australia and is based primarily on the contributions and income derived thereon held by the plan on behalf of the member, and to a lesser degree, on the participants' eligible compensation and years of credited service. Under Australian law, employees do not have to belong to their employer's superannuation fund.

3.5 Relative Weightings of Fixed and Variable Remuneration in 2013

The Company's improved performance in fiscal year 2013 was reflected in an increase in the Variable Remuneration paid to senior executives in fiscal year 2013 compared to fiscal year 2012:

	Fixed Remuneration[1]	**Variable Remuneration[3]**				
		Cash Incentive[2]	ROCE RSUs %	Scorecard LTI %	Relative TSR RSUs %	Total Variable%
L Gries						
Fiscal Year 2013	13	7	28	31	21	87
Fiscal Year 2012	12	18	12	29	29	88
J Blasko[4]						
Fiscal Year 2013	36	9	19	22	14	64
Fiscal Year 2012	70	30	-	-	-	30
R Chenu						
Fiscal Year 2013	54	10	13	14	9	46
Fiscal Year 2012	54	12	6	14	14	46
M Fisher						
Fiscal Year 2013	35	11	19	21	14	65
Fiscal Year 2012	30	24	8	19	19	70
N Rigby[5]						
Fiscal Year 2013	100	-	-	-	-	-
Fiscal Year 2012	27	27	8	19	19	73

1 Includes SG&A expenses incurred in the year indicated for base salary, non-cash benefits, expatriate benefits, other non-recurring benefits and superannuation/pension payments.

2 Includes STI amounts incurred under the Executive Incentive Program and IP Plan. The cash payments for each fiscal year are paid in the June following the end of the fiscal year.

3 Equity components include the total value of Hybrid RSUs, ROCE RSUs, Scorecard LTI and Relative TSR RSUs granted in fiscal year 2013.

4 Commenced employment 13 June 2011. Received relocation allowance in lieu of fiscal year 2012 LTI grants.

5 Ceased employment 30 June 2012 and did not receive any equity award grants in fiscal year 2013.

3.6 Variable Remuneration Payable in Future Years

Details of the accounting cost of the Variable Remuneration for fiscal year 2013 that may be paid to senior executives 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 accounting standards and the Company's estimate of the Scorecard Rating to be applied to Scorecard LTI.

	Scorecard LTI[1] (US dollars)				ROCE RSUs[2] (US dollars)				Relative TSR RSUs[3] (US dollars)			
	FY2013	**FY2014**	**FY2015**	**FY2016**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2013**	**FY2014**	**FY2015**	**FY2016**
L Gries	403,025	742,950	742,950	339,925	268,683	495,299	495,299	226,616	369,122	680,452	680,452	311,330
J Blasko	32,502	59,915	59,915	27,413	21,669	39,945	39,945	18,276	29,768	54,875	54,875	25,107
R Chenu	45,503	83,881	83,881	38,379	30,335	55,921	55,921	25,586	41,675	76,825	76,825	35,150
M Fisher	45,503	83,881	83,881	38,379	30,335	55,921	55,921	25,586	41,675	76,825	76,825	35,150
N Rigby [4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	526,533	**970,627**	**970,627**	**444,096**	**351,022**	**647,086**	**647,086**	**296,064**	**482,240**	**888,977**	**888,977**	**406,737**

1 Represents annual SG&A expense for Scorecard LTI granted in September 2012 based on the Remuneration Committee assumption of final Scorecard rating. The fair value of each award is adjusted for changes in the Company's common stock price at each balance sheet date until the final Scorecard rating is applied in September 2015, at which time the final value is based on the Company's share price and the senior executive's Scorecard rating at the time of vesting.

2 Represents annual SG&A expense for the ROCE RSUs granted in September 2012. The fair value of each RSU is adjusted for changes in the Company's common stock price at each balance sheet date until the Remuneration Committee exercises negative discretion and some, all or none of the awards become vested in September 2015.

3 Represents annual SG&A expense for the Relative TSR RSUs granted in September 2012 with fair market value estimated using the Monte Carlo option-pricing method.

4 Ceased employment 30 June 2012.

4. CHANGES TO REMUNERATION FOR FISCAL YEAR 2014

4.1 Overview of Remuneration for Fiscal Year 2014

The Board and the Remuneration Committee review the Company's existing remuneration arrangements each year.

There will be no increases in the CEO's base salary, target STI or target LTI in fiscal year 2014.

The only change in the Company's STI Variable Compensation plans in fiscal year 2014 is the introduction of an additional adjustment to the US STI Payout Matrix, based on the Remuneration Committee's assessment of management's development and implementation of specific plans for the Company's interior products business.

The principal changes in the Company's LTI Variable Compensation plans are as follows:

- updating the performance hurdles required to achieve vesting of the ROCE RSUs, and indexing those hurdles for changes in housing starts and the repair and remodel market; and

- changing the payout schedule for the Relative TSR RSUs to increase the number of shares vesting at the 40th percentile and eliminating one of the four re-tests. The Remuneration Committee will continue to monitor the appropriate number of re-tests each year; and

- updating the Scorecard objectives for fiscal year 2014.

The following section summarises the changes to the Executive Incentive Plan and the Scorecard LTI for fiscal year 2014.

4.2 Changes to STI Variable Compensation for Fiscal Year 2014 (Executive Incentive Plan)

The Board proposes to continue with the basic Payout Matrix approach balancing performance on the Growth Measure against performance on the Return Measure for the corporate portion of the Executive Incentive Plan described in section 3.2 of this Remuneration Report.

However, in fiscal year 2014 it will supplement the existing adjustment of up to 0.2x (up or down) based on the Company's performance against market tracking data from the largest participants in the WMI, with a further adjustment of up to 0.2x (up or down) based on the Remuneration Committee's assessment of management's development and implementation of specific plans for the Company's interior products business.

The Remuneration Committee believes that this amendment will provide specific focus on the Company's interior products business, which is not covered by the existing Payout Matrix, which focusses on the exterior products business only.

4.3 Changes to LTI Variable Compensation for Fiscal Year 2014

4.3.1 Scorecard LTI

The Remuneration Committee uses the Scorecard to set strategic objectives for which performance can only be assessed over a period of time. These objectives change from year to year in line with the Company's strategic priorities. The changes to the objectives for fiscal year 2014, and the reasons for those changes are set out below:

Goal	Change	Reasons
Product Mix Shift	Removed	Although this remains an important strategy for the Company and is reflected in a number of its one-year goals, the other goals are more important to the long-term value creation plans of the Company.
Talent Management/ Development	Renamed 'Build US organisational and leadership capability in support of the Company's growth targets'	This goal has been renamed to provide a clear link between the Company's strategy and initiatives in this area.
Manufacturing Reset	Renamed 'Manufacturing capacity planning and sourcing efficiency'	The goal has been renamed to reflect the substantial progress on the manufacturing reset and a broader focus on having adequate capacity and effective machine utilisation.
Effectively Manage Legacy Issues	Reinstated	New Zealand Ministry of Education representative action litigation commenced in fiscal year 2014.
Positioning the Company for potential recovery	Removed	The recovery in the US housing market means this goal can be removed.
Maintain Australia and New Zealand market position on core products and grow Scyon	Added	The Asia Pacific business is a significant contributor to the Company's results
Australian capacity expansion	Added	This is an important component towards achieving the Company's long-term growth plans in Australia.

The other components of the Scorecard remain unchanged.

4.3.2 ROCE RSUs and Relative TSR RSUs

The 2013 AGM Notice of Meeting contains further details of the changes to the ROCE RSUs and Relative TSR RSUs.

5. REMUNERATION PAID TO SENIOR EXECUTIVES

5.1 Total Remuneration for Senior Executives

Details of the remuneration of the senior executives in fiscal years 2013 and 2012 are set out below:

(US dollars)	Primary			Post-employment	Equity Awards		Other	
Name	Base Pay	Bonuses[2]	Noncash Benefits[3]	Superannuation and 401(k) Benefits	Ongoing Vesting[4]	Mark-to Market[5]	Relocation Allowances, Expatriate Benefits, and Other Non-recurring[6]	Total
L Gries[1]								
Fiscal Year 2013	**$ 950,966**	**$ 638,875**	**$ 92,873**	**$ 14,826**	**$5,066,796**	**$1,024,436**	**$ 63,087**	**$ 7,851,859**
Fiscal Year 2012	956,825	1,959,285	106,960	14,700	4,832,467	1,469,093	104,000	9,443,330
J Blasko[7]								
Fiscal Year 2013	**306,577**	**91,693**	**54,401**	**15,817**	**76,641**	**7,297**	**-**	**552,426**
Fiscal Year 2012	230,769	161,730	45,840	9,808	-	-	387,062	835,209
R Chenu								
Fiscal Year 2013	**930,969**	**225,378**	**86,947**	**87,677**	**658,609**	**92,031**	**103,314**	**2,184,925**
Fiscal Year 2012	953,735	339,510	96,474	88,800	895,737	287,159	105,133	2,766,548
M Fisher								
Fiscal Year 2013	**452,145**	**174,661**	**42,940**	**15,273**	**683,969**	**104,492**	**-**	**1,473,480**
Fiscal Year 2012	434,317	416,599	50,979	14,877	701,388	220,125	-	1,838,285
N Rigby[8]								
Fiscal Year 2013	**150,721**	**-**	**14,105**	**-**	**213,985**	**36,268**	**116,741**	**531,820**
Fiscal Year 2012	509,711	529,939	28,469	-	734,313	171,637	-	1,974,069
Total Compensation for Senior Executives								
Fiscal Year 2013	**$2,791,378**	**$1,130,607**	**$291,266**	**$133,593**	**$6,700,000**	**$1,264,524**	**$283,142**	**$12,594,510**
Fiscal Year 2012	$3,085,357	$3,407,063	$328,722	$128,185	$7,163,905	$2,148,014	$596,195	$16,857,441

1 L Gries base pay includes US$149,058 and US$143,325 in fiscal years 2013 and 2012, respectively, for his services on the JHI plc Board.

2 Includes STI amounts that were paid in cash under the Executive Incentive Program and IP Plan and over/under accruals from fiscal year 2012. Per the EIP and IP Plan, the cash payments for each fiscal year are paid in June following the end of the fiscal year.

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

4 Includes equity award expense for grants of Scorecard LTI awards, Relative TSR RSUs, ROCE RSUs and Hybrid RSUs. Relative TSR RSUs are valued using Monte Carlo simulation method. Hybrid RSUs, ROCE RSUs and Scorecard LTI awards are valued based on the Company's share price at each balance date as well as the Remuneration Committee's current expectation of the percentage of the RSUs or awards which will vest. The fair value of equity awards granted are included in compensation during the period in which the equity awards vest. For Hybrid RSUs, ROCE RSUs and Scorecard LTI awards, this amount excludes the equity award expense in fiscal years 2013 and 2012 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 Hybrid RSUs, ROCE RSUs and Scorecard LTI resulting solely from changes in the US dollar share price during fiscal years 2013 and 2012. During fiscal year 2013, there was a 25% appreciation in the Company's share price from US$7.99 to US$10.01.

6 Includes a charge to recognise gross-up and tax paid on equity vested during fiscal years 2013 and 2012 for which a portion of the vesting period was while L Gries and R Chenu were seconded to The Netherlands.

7 Commenced employment 13 June 2011. Received relocation allowance in lieu of fiscal year 2012 LTI grants.

8 Separated from the Company on 30 June 2012. Ongoing equity award expense reflects awards not lapsed or forfeited following separation. Did not receive any equity award grants in fiscal year 2013.

5.2 Equity Holdings of Senior Executives

(a) Options

Name	Grant Date[10]	Exercise Price per right (A$)	Holding at 1 April 2012	Granted	Total Value at Grant[1] (US$)	Vested	Exercised	Value at Exercise per right[2] (A$)	Lapsed	Value at Lapse per right[3] (AS)	Holding at 31 March 2013	Weighted Average Fair Value per right[4]
L Gries	5-Dec-03[5]	$7.0500	325,000	325,000	$ 338,975	325,000	(325,000)	1.3500	-	-	-	1.0430
	21-Nov-06[6]	$8.4000	415,000	415,000	$ 888,100	415,000	-	-	-	-	415,000	2.1400
	21-Nov-06[6]	$8.4000	228,600	381,000	$1,131,570	228,600	-	-	-	-	228,600	2.9700
	29-Aug-07[6]	$7.8300	445,000	445,000	$ 965,650	445,000	-	-	-	-	445,000	2.1700
	29-Aug-07[6]	$7.8300	437,000	437,000	$1,302,260	364,458	-	-	(72,542)	-	364,458	2.9800
J Blasko	-	-	-	-	-	-	-	-	-	-	-	-
R Chenu	22-Feb-05[5]	$6.3000	93,000	93,000	$ 107,973	93,000	-	-	-	-	93,000	1.1610
	21-Nov-06[6]	$8.4000	65,000	65,000	$ 139,100	65,000	-	-	-	-	65,000	2.1400
	21-Nov-06[6]	$8.4000	36,000	60,000	$ 178,200	36,000	-	-	-	-	36,000	2.9700
	29-Aug-07[6]	$7.8300	68,000	68,000	$ 147,560	68,000	-	-	-	-	68,000	2.1700
	29-Aug-07[6]	$7.8300	66,000	66,000	$ 196,680	55,044	-	-	(10,956)	-	55,044	2.9800
M Fisher	5-Dec-03[5]	$7.0500	132,000	132,000	$ 137,676	132,000	(132,000)	1.6339	-	-	-	1.0430
	14-Dec-04[6]	$5.9900	90,000	180,000	$ 183,276	180,000	(90,000)	3.9133	-	-	-	1.0182
	1-Dec-05[6]	$8.9000	190,000	190,000	$ 386,137	190,000	-	-	-	-	190,000	2.0323
	21-Nov-06[6]	$8.4000	158,500	158,500	$ 291,069	158,500	(90,000)	0.8700	-	-	68,500	1.8364
	10-Dec-07[6]	$6.3800	277,778	277,778	$ 275,084	277,778	(160,000)	2.8956	-	-	117,778	0.9903
N Rigby	5-Dec-03[6]	$7.0500	33,000	33,000	$ 34,419	33,000	(33,000)	0.5600	-	-	-	1.0430
	1-Dec-05[6]	$8.9000	190,000	190,000	$ 386,137	190,000	-	-	(190,000)	-	-	2.0323
	21-Nov-06[6]	$8.4000	158,500	158,500	$ 291,069	158,500	(158,500)	0.2500	-	-	-	1.8364

(b) Restricted Stock Units

Name	Grant Date	Release Date	Holding and Unvested at 1 April 2012	Granted	Total Value at Grant[1] (US$)	Vested	Lapsed	Holding and Unvested at 31 March 2013	Weighted Average Fair Value per right[4]
L Gries	15-Sep-09[7]	15-Sep-12	234,900	234,900	$1,176,849	-	-	234,900	$5.0100
	11-Dec-09[7]	15-Sep-12	81,746	81,746	$ 564,865	-	-	81,746	$6.9100
	7-Jun-10[8]	7-Jun-12	360,267	360,267	$2,142,760	(360,267)	-	-	$5.9477
	15-Sep-10[7]	15-Sep-13	577,255	577,255	$2,595,627	-	-	577,255	$4.4965
	7-Jun-11[8]	7-Jun-13	45,687	45,687	$ 279,901	-	-	45,687	$6.1265
	15-Sep-11[7]	15-Sep-14	606,852	606,852	$2,500,291	-	-	606,852	$4.1201
	7-Jun-12[8]	7-Jun-14	-	166,459	$1,199,137	-	-	166,459	$7.2038
	14-Sep-12[7]	14-Sep-15	-	273,732	$2,041,356	-	-	273,732	$7.4575
	14-Sep-12[9]	14-Sep-15	-	284,916	$2,645,360	-	-	284,916	$9.2847
J Blasko	14-Sep-12[7]	14-Sep-15	-	22,075	$ 164,624	-	-	22,075	$7.4575
	14-Sep-12[9]	14-Sep-15	-	22,977	$ 213,335	-	-	22,977	$9.2847
R Chenu	15-Sep-09[7]	15-Sep-12	45,675	45,675	$ 228,832	-	-	45,675	$5.0100
	11-Dec-09[7]	15-Sep-12	15,895	15,895	$ 109,834	-	-	15,895	$6.9100
	7-Jun-10[8]	7-Jun-12	70,052	70,052	$ 416,648	(70,052)	-	-	$5.9477
	15-Sep-10[7]	15-Sep-13	72,157	72,157	$ 324,454	-	-	72,157	$4.4965
	7-Jun-11[8]	7-Jun-13	5,711	5,711	$ 34,988	-	-	5,711	$6.1265
	15-Sep-11[7]	15-Sep-14	68,516	68,516	$ 282,293	-	-	68,516	$4.1201
	7-Jun-12[8]	7-Jun-14	-	18,794	$ 135,388	-	-	18,794	$7.2038
	14-Sep-12[7]	14-Sep-15	-	30,905	$ 230,474	-	-	30,905	$7.4575
	14-Sep-12[9]	14-Sep-15	-	32,168	$ 298,670	-	-	32,168	$9.2847
M Fisher	15-Sep-09[7]	15-Sep-12	39,150	39,150	$ 196,142	-	-	39,150	$5.0100
	11-Dec-09[7]	15-Sep-12	13,624	13,624	$ 94,142	-	-	13,624	$6.9100
	7-Jun-10[8]	7-Jun-12	60,044	60,044	$ 357,124	(60,044)	-	-	$5.9477
	15-Sep-10[7]	15-Sep-13	67,003	67,003	$ 301,279	-	-	67,003	$4.4965
	7-Jun-11[8]	7-Jun-13	5,303	5,303	$ 32,489	-	-	5,303	$6.1265
	15-Sep-11[7]	15-Sep-14	68,516	68,516	$ 282,293	-	-	68,516	$4.1201
	7-Jun-12[8]	7-Jun-14	-	18,794	$ 135,388	-	-	18,794	$7.2038
	14-Sep-12[7]	14-Sep-15	-	30,905	$ 230,474	-	-	30,905	$7.4575
	14-Sep-12[9]	14-Sep-15	-	32,168	$ 298,670	-	-	32,168	$9.2847
N Rigby	15-Sep-09[7]	15-Sep-12	39,150	39,150	$ 196,142	-	(2,751)	36,399	$5.0100
	11-Dec-09[7]	15-Sep-12	13,624	13,624	$ 94,142	-	(958)	12,666	$6.9100
	7-Jun-10[8]	7-Jun-12	60,044	60,044	$ 357,124	(60,044)	-	-	$5.9477
	15-Sep-10[7]	15-Sep-13	72,157	72,157	$ 324,454	-	(29,100)	43,057	$4.4965
	7-Jun-11[8]	7-Jun-13	5,711	5,711	$ 34,988	-	(1,783)	3,928	$6.1265
	15-Sep-11[7]	15-Sep-14	78,304	78,304	$ 322,620	-	(78,304)	-	$4.1201
	7-Jun-12[8]	7-Jun-14	-	21,479	$ 154,730	-	(13,856)	7,623	$7.2038

1 Total Value at Grant = Weighted Average Fair Value per right multiplied by number of rights granted.

2 Value at Exercise/right = Market Value of a share of the Company's stock price at Exercise less the Exercise price per right.

3 Value at Lapse/right = Fair Market Value of a share of the Company's stock at Lapse less the Exercise price per right.

4 Weighted Average Fair Value per right is estimated on the date of grant using the Black-Scholes option-pricing model or Monte Carlo option pricing method, depending on the plan the options were issued under.

5 Options granted under the 2001 JHI plc Equity Incentive Plan ("2001 Equity Incentive Plan"). All options have vested and become exercisable.

6 Options granted under James Hardie Industries LTIP. These options are subject to performance hurdles. The holding as of 31 March 2013 represents all options which have vested and become exercisable.

7 Relative TSR RSUs granted under the LTIP. These RSUs are subject to performance hurdles and/or application of negative discretion.

8 Hybrid RSUs (formerly Executive Incentive Plan RSUs) are granted under LTIP. These RSUs are subject to application of negative discretion.

9 ROCE RSUs are granted under LTIP and are subject to performance hurdles and/or application of negative discretion.

10 All options granted expire 10 years after the grant date.

(c) Scorecard LTI

Name	Grant Date	Release Date	Holding at 1 April 2012	Granted	Vested[1]	Lapsed	Holding at 31 March 2013
L Gries	21-Jun-09	21-Jun-12	483,294	483,294	(280,310)	(202,984)	-
	29-Jun-10[2]	29-Jun-13	442,424	442,424	-	-	442,424
	7-Jun-11	7-Jun-14	455,239	455,239	-	-	455,239
	14-Sep-12	14-Sep-15	-	320,531	-	-	320,531
J Blask o	14-Sep-12	14-Sep-15	-	25,849	-	-	25,849
R Chenu	21-Jun-09	21-Jun-12	93,974	93,974	(77,998)	(15,976)	-
	29-Jun-10[2]	29-Jun-13	55,303	55,303	-	-	55,303
	7-Jun-11	7-Jun-14	51,398	51,398	-	-	51,398
	14-Sep-12	14-Sep-15	-	36,189	-	-	36,189
M Fisher	21-Jun-09	21-Jun-12	80,549	80,549	(53,162)	(27,387)	-
	29-Jun-10[2]	29-Jun-13	51,353	51,353	-	-	51,353
	7-Jun-11	7-Jun-14	51,398	51,398	-	-	51,398
	14-Sep-12	14-Sep-15	-	36,189	-	-	36,189
N Rigby	21-Jun-09	21-Jun-12	80,549	80,549	(40,274)	(40,275)	-
	29-Jun-10[2]	29-Jun-13	55,303	55,303	-	(18,368)	36,935
	7-Jun-11	7-Jun-14	58,740	58,740	-	(37,892)	20,848

1 Represents the number of Scorecard LTI awards vesting after the Remuneration Committee's application of the scorecard in respect of fiscal years 2010-2012. A detailed assessment of the reasons for the scorecard ratings was sent out in the fiscal year 2012 Remuneration Report.

2 Scorecard LTI awards in respect of fiscal years 2011-2013 will vest on 29 June 2013. A detailed assessment of the Remuneration Committee's assessment of management's performance is set out in section 2.3 of this Remuneration Report.

5.3 Relevant Interests in JHI plc for Senior Executives

The Company's LTI plans and stock ownership guidelines (described below) provide a strong level of alignment between senior executives and shareholders. Changes in relevant interests of senior executives in JHI plc securities between 1 April 2012 and 31 March 2013 are set out below:

	CUFS at 1 April 2012	CUFS at 31 March 2013	Options at 1 April 2012	Options at 31 March 2013	RSUs at 1 April 2012	RSUs at 31 March 2013
L Gries	689,922	469,150	1,850,600	1,453,058	1,906,707	2,271,547
R Chenu	152,420	199,884	328,000	317,044	278,006	289,821
J Blasko	-	-	-	-	-	45,052
M Fisher	158,964	165,221	848,278	376,278	253,640	275,463
N Rigby[1]	265,102	4,332	381,500	-	268,990	103,673

1 Separated from the Company on 30 June 2012.

Based on 441,654,684 shares of common stock outstanding at 31 May 2013 (all of which are subject to CHESS Units of Foreign Securities ("CUFS"), no senior executive beneficially owned 1% or more of the outstanding shares of the Company at 31 May 2013. None of the shares held by senior executives have any special voting rights. There were no changes in the number of CUFS, options or RSUs held by senior executives between 31 March 2013 and 31 May 2013.

5.4 Stock Ownership Guidelines

The Remuneration Committee believes that senior executives should hold James Hardie stock to further align their interests with those of the Company's shareholders. The Company has adopted stock ownership guidelines for the CEO, CFO and remaining senior executives, respectively, which require them to accumulate holdings of 3 times, 1.5 times and 1 times their base salary in the Company over a period of five years from 1 April 2009.

Until the stock ownership guidelines have been met, a senior executive is required to retain at least 75% of shares obtained under the Company's LTI Plans (net of taxes and other costs). The CEO and all other long-term executives have exceeded their respective stock ownership guidelines for some years.

The Company amended the stock ownership guidelines in fiscal year 2013 such that once a senior executive has met or exceeded their stock ownership guidelines, they are required to retain at least 25% of shares issued under the Company's long-term equity incentive plans through the vesting of RSUs (net of taxes and other costs) for a period of two years (by way of holding lock), after which time those shares can be sold (provided the senior executive remains above their stock ownership guideline). Details of the Company's policy regarding employees hedging James Hardie shares or grants under various equity incentive plans are set out in the "Insider Trading" section of the Corporate Governance Report within this annual report.

5.5 Loans

The Company did not grant loans to senior executives during fiscal year 2013. There are no loans outstanding to senior executives.

6. EMPLOYMENT CONTRACTS

Remuneration and other terms of employment for the CEO, CFO and senior executives are formalised in employment contracts. The main elements of these contracts are set out below.

6.1 CEO's Employment Contract

Details of the terms of the CEO's employment contract are as follows:

Components	Details
Length of contract	Indefinite. The CEO is an 'at-will' employee.
Base salary	US$950,000 for fiscal year 2013 and 2014. Salary reviewed annually by the Board and there will be no base salary increase for fiscal year 2014.
Short-term incentive	Annual STI target is 125% of annual base salary for fiscal year 2013 and 2014. The quantum of STI target is reviewed annually by the Remuneration Committee in May.
Long-term incentive	On the approval of shareholders, a LTI incentive will be granted each year. The recommended value of LTI to be granted will be appropriate for this level of executive in the US. For fiscal years 2013 and 2014, the LTI target is unchanged at US$3.1 million.

Components	Details
Defined Contribution Plan	The CEO may participate in the US 401(k) defined contribution plan up to the annual US Internal Revenue Service (“IRS”) limit. The Company will match the CEO’s contributions into the plan up to the annual IRS limit.
Resignation	The CEO may cease employment with the Company by providing written notice. If the CEO retires with the approval of the Board then his unvested RSUs and awards will not be forfeited and will be held until the next test date.
Termination by James Hardie	The Company may terminate the CEO’s employment for cause or not for cause. If the Company terminates the CEO’s employment, not for cause, or the CEO terminates his employment “for good reason” the Company will pay the following: (a) amount equivalent to 1.5 times the CEO’s annual base salary at the time of termination; and (b) amount equivalent to 1.5 times the CEO’s average STI actually paid in up to the previous three fiscal years as CEO; and (c) continuation of health and medical benefits at the Company’s expense for the duration of the consulting agreement referenced below.
Post-termination Consulting	The Company will request the CEO, and the CEO will agree, to consult to the Company upon termination for a minimum of two years, as long as the CEO maintains the Company’s non-compete and confidentiality agreements and executes a release of claims following the effective date of termination. Under the consulting agreement, the CEO will receive the annual base salary and annual target incentive in exchange for this consulting and non-compete. Under the terms of equity incentive grants made to the CEO under the LTIP, the CEO’s outstanding options will not expire during any post-termination consulting period. In addition, in the event of an agreed separation or agreed retirement, his unvested restricted stock units and awards will not be automatically forfeited. This arrangement is a standard arrangement for US executives and the Board considers that it is an appropriate restraint for Mr Gries given his intimate involvement in developing the Company’s fibre cement business in the United States over the past 23 years.

The CEO also receives the ‘Other’ benefits described in the summary of employment agreements for the senior executives (described below).

6.2 CFO’s Employment Contract

Details of the CFO’s employment contract are as follows:

Components	Details
Length of contract	Fixed period concluding 5 October 2013.
Base salary	A$900,279 for fiscal year 2013. Salary reviewed annually by the Board and there will be no A$ base salary increase for fiscal year 2014.
Short-term incentive	Annual STI target is 33% of annual base salary as set out in the CFO’s employment contract, based on personal goals. The CFO does not participate in the Executive Incentive Program for his short-term incentive.
Long-term incentive	The CFO will receive a LTI incentive with performance hurdles each year. The value of LTI to be granted will be equivalent to at least US$350,000.

Components	Details
Superannuation	The CFO is entitled to superannuation contributions equal to 9% of his base salary. The contribution to the CFO's superannuation fund will be the maximum contribution currently allowed by law, with the balance paid to the CFO in cash.
Resignation or Termination of role	The Company or CFO may cease the CFO's employment with the Company by providing three months' notice in writing.
Redundancy or diminution of role	If the position of CFO is determined to be redundant or subject to a material diminution in status, duties or responsibility, the Company or the CFO may terminate the CFO's employment. The Company will pay the CFO a severance payment equal to the greater of 12 months' pay or the remaining proportion of the term of the contract.
International Assignment	Additional benefits due to international assignment: housing allowance, goods and services allowance, moving and storage. The Company covers the extra personal tax burden imposed by residency in The United States and, prior to that, The Netherlands (tax equalisation) and the cost of filing income tax returns.

The CFO also receives the 'Other' benefits described in the summary of employment agreements for the senior executives (described below).

6.3 Other senior executives' employment contracts

Details of employment contracts for senior executives are as follows:

Components	Details
Length of contract	Indefinite.
Base salary	Base salary is subject to Remuneration Committee approval and reviewed annually in May.
Short-term incentive	An annual STI target is set at a percentage of the senior executive's salary. The STI target is between 45% and 65% and reviewed annually.
Long-term incentive	Senior executives will receive a LTI incentive with performance hurdles each year. The value of LTI to be granted will be approved by the Remuneration Committee.
Defined Contribution Plan	US senior executives may participate in the US 401(k) defined contribution plan up to the annual IRS limit. The Company will match the senior executive's contributions into the plan up to the annual IRS limit.
Resignation	The senior executive may cease employment with the Company by providing 30 days' written notice.
Termination by James Hardie	The Company may terminate the senior executive's employment for cause or not for cause. Other than the post-termination consulting arrangement discussed below for a termination without cause or a resignation for good reason, no other termination payments are payable, except as required under the terms of the applicable STI or LTI plans.
Post-termination Consulting	Depending on the senior executive's individual contract, and the reasons for termination, the Company may request the senior executive, and the senior executive will agree, to consult to the Company for two years upon termination, as long as they sign and comply with 1) a consulting agreement, which will require them to maintain non-compete and confidentiality obligations to the Company, and 2) a release of claims in a form acceptable to the Company. In exchange for the consulting agreement, the Company shall pay the senior executive's annual base salary as of the termination date for each year of consulting.

Components	Details
Other	**Health, Welfare and Vacation Benefits:** Eligible to receive all health, welfare and vacation benefits offered to all US employees and also eligible to participate in the Company's Executive Health and Wellness program.
	Business Expenses: Senior executives are entitled to receive reimbursement for all reasonable and necessary travel and other business expenses incurred or paid in connection with the performance of services under their employment.
	Automobile: The Company will either lease an automobile for business and personal use by the senior executive, or, in the alternative, the executive will be entitled to an automobile allowance not to exceed US$850 per month.
	Financial Planning: The Company will reimburse senior executives for financial planning expenses incurred by the senior executive (including preparation of tax returns) up to a specified sum.

7. 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 approved by shareholders from time to time. The current maximum aggregate base and Committee fee pool of US$2.0 million per annum was approved by shareholders in 2012. No additional Board fees are paid to executive Board directors.

7.1 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, Deputy Chairman and Board Committee Chairman and one of the directors who serves on a number of the Company's subsidiary boards. All directors' fees are paid in cash.

During fiscal year 2013, the Remuneration Committee reviewed nonexecutive directors' fees, using market data and taking into consideration the level of fees paid to chairmen and directors of companies with similar size, complexity of operations and responsibilities, and workload requirements. As a result of the review, the Remuneration Committee recommended an increase in non-executive director fees as set out below:

Position	FY13 (US$)	FY14 (US$)
Chairman	$343,980	$376,019
Deputy Chairman	$200,655	$207,678
Board member	$149,058	$154,275
Audit Committee Chair	$ 20,000	$ 30,000
Remuneration Committee Chair	$ 10,000	$ 20,000
N&GC Committee Chair	$ 10,000	$ 10,000
Non-executive member of subsidiary boards	Euro 23,000	Euro 24,000

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

7.2 Board Accumulation Policy

Non-executive directors are expected to accumulate a minimum of 1.5 times (and two times for the Chairman) their total base remuneration (excluding Board Committee fees) in the Company's shares (either personally, in the name of their spouse, or through a personal superannuation or pension plan) over a reasonable time following their appointment. The Remuneration Committee monitors non-executive directors' progress against this policy on a periodic basis.

7.3 Director Retirement Benefits

The Company does not provide any benefits for our non-executive Board directors upon termination of employment.

7.4 Total Remuneration for Non-Executive Directors for the Years Ended 31 March 2013 and 2012

The table below sets out the remuneration for those directors who served on the Board during the fiscal years ended 31 March 2013 and 31 March 2012:

(US dollars) Name	Primary Directors Fees	Other Benefits[2]	Total
M Hammes			
Fiscal Year 2013	**$ 343,980**	**$ 35,523**	**$ 379,503**
Fiscal Year 2012	330,750	34,457	365,207
D McGauchie			
Fiscal Year 2013	**210,655**	**43,978**	**254,633**
Fiscal Year 2012	202,938	-	202,938
B Anderson			
Fiscal Year 2013	**169,058**	**13,059**	**182,117**
Fiscal Year 2012	163,325	-	163,325
D Dilger			
Fiscal Year 2013	**178,546**	**-**	**178,546**
Fiscal Year 2012	172,524	13,964	186,488
D Harrison			
Fiscal Year 2013	**159,058**	**6,070**	**165,128**
Fiscal Year 2012	153,325	2,238	155,563
A Littley [3]			
Fiscal Year 2013	**149,058**	**120**	**149,178**
Fiscal Year 2012	13,387	-	13,387
J Osborne			
Fiscal Year 2013	**149,058**	**-**	**149,058**
Fiscal Year 2012	143,325	-	143,325
R van der Meer			
Fiscal Year 2013	**149,058**	**19,127**	**168,185**
Fiscal Year 2012	143,325	-	143,325
Total Compensation for Non-Executive Directors			
Fiscal Year 2013	**$ 1,508,471**	**$ 117,877**	**$ 1,626,348**
Fiscal Year 2012	$ 1,322,899	$ 50,659	$ 1,373,558

[1] Amount includes base, Chairman, Deputy Chairman, Committee Chairman and service as a non-executive member of certain subsidiary boards.

2 Other Benefits includes the cost of non-executive directors' fiscal compliance in Ireland and other costs connected with Board-related events. Some fiscal year 2012-related costs have been reflected in fiscal year 2013.

3 Joined the Board on 27 February 2012.

7.5 Director Remuneration for the years ended 31 March 2013 and 2012

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

(In US dollars)	Years Ended 31 March **2013**	**2012**
Managerial Services[1]	**$7,702,801**	$ 9,300,005
Director Services[2]	**1,775,406**	1,516,883
	$9,478,207	$10,816,888

1 Includes cash payments, non-cash benefits (examples include medical and life insurance benefits, car allowances, membership in executive wellness programs, long service leave, financial planning and tax services), 401(K) benefits, amounts expensed for outstanding equity awards and expatriate benefits for L Gries.

2 Includes compensation for all non-executive directors, which includes base, Chairman, Deputy Chairman, Committee Chairman and service as a non-executive member of certain subsidiary boards fees and cost of non-employee directors' fiscal compliance in Ireland, other costs connected with Board-related events and a proportion of the CEO's remuneration paid as fees for his service on the JHI plc Board in fiscal years 2013 and 2012.

7.6 Non-Executive Directors' Interests in JHI plc

Non-executive directors' relevant interests in JHI plc securities at 1 April 2012 and 31 March 2013 were:

	Number of Shares/CUFS at 1 April 2012	**Number of Shares/CUFS at 31 March 2013**
M Hammes[1]	32,847	37,847
D McGauchie[2]	20,372	20,372
B Anderson[3]	7,635	14,805
D Dilger[4]	25,000	25,000
D Harrison[5]	12,384	12,384
A Littley[6]	-	-
James Osborne	2,551	2,551
Rudy van der Meer	17,290	17,290

1 27,847 shares were held in the name of Mr and Mrs Hammes. 9,000 shares/CUFS held as American Depositary Receipts ("ADRs").

2 6,000 shares held for the McGauchie Superannuation Fund for which Mr McGauchie is a trustee and beneficiary.

3 7,170 shares/CUFS held as ADRs in the name of Mr and Mrs Anderson.

4 25,000 shares held for the David Dilger Approved Retirement Fund for which Mr Dilger is a beneficiary.

5 10,000 shares held as ADRs.

6 Joined the Board on 27 February 2012.

Based on 441,654,684 shares of common stock outstanding at 31 May 2013 (all of which are subject to CUFS), no director beneficially owned 1% or more of the outstanding shares of the Company at 31 May 2013. None of the shares held by directors have any special voting rights. There were no changes in the number of CUFS or ADS held by directors between 31 March 2013 and 31 May 2013.

8. MORE DETAILED INFORMATION ABOUT EQUITY GRANTS

The following additional information about the Company's equity grants includes the information required under Items 6.B and 6.E of the Form 20-F:

At 31 March 2013, we had the following equity award plans:

- the Long-Term Incentive Plan 2006 ("LTIP"); and
- the 2001 Equity Incentive Plan.

8.1 LTIP

The Company uses the LTIP as the plan for LTI grants to senior executives and selected members of senior management. Participants in the LTIP receive grants of RSUs and Scorecard LTI, each of which are 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 and 2012. Grants of options, RSUs and Scorecard LTI are on the same terms as those for the CEO.

Options

Until fiscal year 2008, the Company issued options under the LTIP to members of the (then) Managing Board. The vesting of these options was subject to 'performance hurdles' (all of which have now concluded) as outlined in the LTIP rules. Options which are exercisable as a result of meeting these performance hurdles expire 10 years from the date of issue unless the senior executive ceases employment with the Company. In November 2006 and August 2007, 1,132,000 and 1,016,000 options, respectively, were granted to Executives under the LTIP.

As at 31 May 2013, there were 1,677,102 of options outstanding under the LTIP, divided as follows:

		Options	
Grant Type	**Grant Date**	**Granted**	**Outstanding as of 31 May 2013**
TSR	November 2006	542,000	264,600
ROCE	November 2006	590,000	480,000
TSR	August 2007	503,000	419,502
ROCE	August 2007	513,000	513,000
	Total outstanding		1,677,102

The key terms of these options were:

Performance period	Three years (ROCE hurdle) to five years (TSR hurdle) from the grant date.
Retesting	Yes, for the TSR options only, on the last Business Day of each six-month period following the 3rd Anniversary and before the 5th Anniversary.
Exercise period	Until ten years from the grant date.
Performance condition	For the ROCE options: ROCE performance against the following global peer group of building materials companies: Boral Limited, Valspar Corporation, Hanson plc, Rinker Group Limited (2006 grant only), Weyerhaeuser, Lafarge SA, CSR Limited, Cemex SA de CV, Nichiha Corp, Fletcher Building Limited, Martin Marietta Materials Inc, Saint Gobain, Eagle Materials Inc, Texas Industries, Wienerberger AG, Lousiana-Pacific Corporation, Florida Rock Industries Inc, CRH plc, USG Corporation, Vulcan Materials Co and The Siam Cement Plc. For the TSR options: TSR performance against a peer group of comparable companies in the S&P/ASX 100 at the time of grant excluding financial institutions, insurance companies, property trusts, oil and gas producers and mining companies, and adjusted to account for additions and deletions to S&P/ASX 100 during the relevant period.
Vesting criteria	For the ROCE options: – 0% vesting if ROCE below 60th percentile of peer group. – 50% vesting if ROCE at 60th percentile of peer group. – Between the 60th and 85th percentiles, vesting on a straight line basis. – 100% vesting if ROCE is at 85th percentile of peer group. For the TSR options: – 0% vesting if TSR below 50th percentile of peer group. – 50% vesting if TSR at 50th percentile of peer group. – Between 50th and 75th percentiles, vesting on a straight line basis. – 100% vesting if TSR is at 75th percentile of peer group.
Vesting Performance	The ROCE tranche options vested 100% and the TSR tranche options vested 60% (2006 grant) and 83.4% (2007 grant). No options have been exercised.

RSUs

From fiscal year 2009, the Company commenced using RSUs granted under the LTIP. As of 31 May 2013, there were 3,424,936 RSUs outstanding under this plan, divided as follows:

		Restricted Stock Units		
Grant Type	**Grant Date**	**Granted**	**Vested as of 31 May 2013**	**Outstanding as of 31 May 2013**
TSR	September 2009	522,000	-	378,107
TSR	December 2009	181,656		130,743
TSR	September 2010	951,194	-	824,291
Hybrid	June 2011	63,146	-	61,363
TSR	September 2011	954,705	-	847,037
Hybrid	June 2012	266,627	-	243,566
TSR	September 2012	432,654	-	425,590
ROCE	September 2012	450,336	-	442,983
	Total outstanding			3,353,680

The key terms of these RSUs were:

Relative TSR RSUs	Relative TSR RSUs granted December 2009 and September 2010, 2011 and 2012.
Offered to	Senior executives.
Performance period	Three years to five years from the grant date.
Retesting	Yes, on the last Business Day of each six month period following three years from grant date and before five years from grant date.
Exercise period	Until five years from the grant date.
Performance condition	TSR performance against the following peer group of companies: Acuity Brands, Inc., Eagle Materials, Inc, Headwaters, Inc, Lennox International, Inc, Louisiana-Pacific Corp., Martin Marietta Materials, Inc, Masco Corporation, MDU Resources Group, Inc, Mueller Water Products, Inc, NCI Building Systems, Inc, Owens Corning, Quanex Building Products Corp., Sherwin Williams, Simpson Manufacturing Co., Texas Industries, Inc, Trex, USG, Valmont Industries, Valspar Corporation, Vulcan Materials and Watsco, Inc. For 2010 onwards, the following companies were added to the peer group: American Woodmark Corp, Apogee Enterprises, Inc, Amstrong World Enterprises, Inc, Fortune Brands, Inc, Interface, Inc, Mohawk Industries, Inc and PGT Inc. For 2012 onwards, the following companies were removed from the peer group: PGT Inc., MDU Resources Group and Interface, Inc.
Vesting criteria	For 2009 to 2011: – 0% vesting if TSR below 50th percentile of peer group. – 33% vesting if TSR at 50th percentile of peer group. – Between 50th and 75th percentile, vesting is on a straight line basis. – 100% vesting if TSR is at 75th percentile of peer group. For 2012: – 0% vesting if TSR below 40th percentile of peer group. – Between 40th and 80th percentile, vesting is on a straight line basis. – 100% vesting if TSR is at 80th percentile of peer group.
RSU exercise price	Not applicable.
Expiration date	RSUs convert to shares on vesting on a one-for-one basis.
Vesting Performance	The 2009 Relative TSR RSUs vested 100%. The 2010 grants have not exceeded any performance hurdles to date.

Hybrid RSUs (Previously referred to as Executive Incentive RSUs)	Hybrid RSUs granted June 2010, 2011 and 2012. The number of Hybrid RSUs issued is based on the Company's performance in first year.
Offered to	Senior executives.
Option Exercise Price	Nil.
Vesting schedule	A proportion will vest on the 2nd anniversary of the grant depending on the Board's exercise of negative discretion to allow each between 0 and 100 of the RSUs to vest.
Expiration date	RSUs convert to shares on vesting on a one-for-one basis.
Vesting Performance	Generally, Hybrid RSUs have vested 100%, except in circumstances where individuals have separated from the Company.

ROCE RSUs	ROCE RSUs granted September 2012.
Offered to	Senior executives.
Option Exercise Price	Nil.
Vesting schedule	ROCE / % of ROCE vesting < 18.5% / 0% ≥ 18.5%, but < 19.5% / 25% ≥ 19.5%, but < 20.5% / 50% ≥ 20.5%, but < 21.5% / 75% ≥ 21.5% / 100% A proportion of the resulting number of RSUs (based on the above vesting scale) will actually vest based on the Remuneration Committee's exercise of negative discretion.
Expiration date	Three years.

Scorecard LTI

From fiscal year 2010, the Company commenced using Scorecard LTI units granted under the LTIP. The terms of Scorecard LTI units are described earlier in this Remuneration Report, but vesting 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 2013 to be based on a 20 working day closing average price). As of 31 May 2013, there were 1,796,567 Scorecard LTI units outstanding under the LTIP, divided as follows:

		Scorecard LTI		
Grant Type	**Grant Date**	**Granted**	**Vested as of 31 May 2013**	**Outstanding as of 31 May 2013**
Scorecard	June 2009	1,083,021	501,556	-
TSR	September 2009	6,373	-	6,373
Scorecard	June 2010	821,459	-	635,223
Scorecard	June 2011	716,536	-	656,616
Scorecard	September 2012	506,627	-	498,355
	Total outstanding			1,796,567

On 21 June 2012, 501,556 of the 1,083,021 Scorecard LTI units that were previously granted on 21 June 2009 as part of the fiscal year 2010 long-term incentive award became fully vested and the balance lapsed as a result of the Board's exercise of negative discretion. The cash amount paid to award recipients was based on JHI plc's common stock on the vesting date.

Under the terms of the LTIP, 506,627 and 716,536 Scorecard LTI units were granted during the years ended 31 March 2013 and 2012, respectively that provide recipients a cash incentive based on JHI plc's common stock price on the vesting date and each executives scorecard rating. The vesting of awards is measured on individual performance conditions based on certain performance measures. Compensation expense recognised for awards are based on the fair market value of JHI plc's common stock on the date of grant and recorded as a liability. The liability is adjusted for subsequent changes in JHI plc's common stock price at each balance sheet date.

The key terms of the Scorecard LTI were:

Scorecard LTI (Cash)	Cash-settled Awards granted June 2009, 2010, 2011 and 2012.
Offered to	Senior executives.
Exercise Price	Not applicable.
Performance period	Three years from the grant date.
Payment schedule	A cash payment based on the Company's share price at the end of the performance period multiplied by the number of shares that could have been acquired at the start of the performance period and the senior executive's Scorecard rating. A proportion of the payment will be payable on the 3rd anniversary of the grant depending on each senior executive's Scorecard rating between 0 and 100.
Expiration date	Three years from the grant date.
Vesting Performance	Individual results based on each senior executive's Scorecard rating. Actual results for each executive are set out earlier in this Remuneration Report.

Other terms

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 organisations or liquidation. For options, a "change in control" is deemed to have occurred if pursuant to a takeover bid or otherwise, any person together with their associates acquire shares, which when aggregated with shares already acquired by such person and their associates, comprise more than 30% of our issued shares. For restricted stock units, 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 restricted stock units have vested on any conditions it determines. Any remaining restricted stock units lapse.

8.2 2001 Equity Incentive Plan

The 2001 Equity Incentive Plan is intended to promote the Company's long-term financial interests by encouraging management below senior executive level to acquire an ownership position in the Company and align their interests with our shareholders. Selected employees under the 2001 Equity Incentive 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 Equity Incentive Plan was first approved by our shareholders and Board in 2001 and reapproved until September 2021 at the 2011 Annual General Meeting. An aggregate of 45,077,100 shares of common stock were made available for issuance under the 2001 Equity Incentive Plan, subject to adjustment in the event of a number of prescribed events set out on the 2001 Equity Incentive Plan. All of the options and RSUs granted under the 2001 Equity Incentive Plan to date 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.

Options

Until fiscal year 2008, the Company issued the following number of options to purchase shares of our common stock issued under the 2001 Equity Incentive Plan:

	Options	
Grant Date	**Granted**	**Outstanding as of 31 May 2013**
December 2002	4,037,000	-
December 2003	6,179,583	298,000
December 2004	5,391,100	285,750
February 2005	273,000	93,000
December 2005	5,224,100	1,382,000
March 2006	40,200	15,000
November 2006	3,499,490	768,730
March 2007	330,900	2,100
December 2007	5,031,310	624,254
Total outstanding		3,468,834

RSUs

Since fiscal year 2009, the Company has issued restricted stock units, 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 265,988, 285,358 and 348,426 restricted stock units under the 2001 Equity Incentive Plan in the years ended 31 March 2013, 2012 and 2011, respectively. As of 31 May 2013, there were 579,432 restricted stock units outstanding under this plan, divided as follows:

	Restricted Stock Units		
Grant Date	**Granted**	**Vested as of 31 May 2013**	**Outstanding as of 31 May 2013**
December 2009	278,569	221,824	-
December 2010	348,426	162,113	139,299
December 2011	281,556	71,042	188,010
March 2012	3,802	951	2,851
December 2012	265,988	-	249,272
Total outstanding			579,432

Other terms

The 2001 Equity Incentive Plan is administered by our Remuneration Committee, and the Remuneration Committee or its delegate is authorised to determine (i) who may participate in the 2001 Equity Incentive 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 Equity Incentive Plan, including a limited power to amend, modify or terminate the 2001 Equity Incentive 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 Equity Incentive 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 Equity Incentive Plan are entitled to dividends or dividend equivalent rights.

Although the 2001 Equity Incentive Plan permits the Remuneration Committee to grant stock options, performance awards, restricted stock awards, stock appreciation rights, dividend equivalent rights or other stock based benefits, no such awards have been made, and the Remuneration Committee currently has no intention to issue such awards in the future.

The 2001 Equity Incentive 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 recapitalisation 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.

9. COMMITTEE ADVISOR INDEPDENDENCE

The Remuneration Committee reviews the appointment of its advisors each year. Both Aon Hewitt (in the US) and Guerdon Associates (in Australia) provided the Remuneration Committee with written certification during fiscal year 2013 to support their re-appointment. In those certifications, the advisors:

- confirmed that their pay recommendations were made without undue influence from any member of the Company's management; and
- 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 advisor for fiscal year 2014.