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 2014 and also voluntarily includes an outline of the key changes for fiscal year 2015. Further details of these changes are set out in the 2014 Notice of Annual General Meeting ("AGM").

Consistent with fiscal year 2013, during fiscal year 2014 the Remuneration Committee retained Aon Hewitt (in the US) and Guerdon Associates (in Australia) as its independent advisers for matters regarding remuneration.

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 pay-for-performance system continues to serve as the framework for executive remuneration, aligning the remuneration received with the 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. The names of the 25 companies comprising this peer group are provided in section 8 of this Remuneration Report.

Remuneration packages for senior executives are evaluated each year to make sure that they continue to align with the Company's philosophy, are competitive with their US peer group, and are competitive with developments in the market. In making decisions regarding individual senior executives, 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 package for the CEO and CFO are determined by the Remuneration Committee and ratified by the Board. All aspects of the remuneration package for the remaining senior executives are determined by the Remuneration Committee on the recommendation of the CEO.

1.4 Senior Executives in fiscal year 2014

The Company's senior executives in fiscal year 2014 were:

- Louis Gries, Chief Executive Officer
- Matthew Marsh, Chief Financial Officer
- Mark Fisher, Executive General Manager – International
- Ryan Sullivan, Executive General Manager – South
- Sean Gadd, Executive General Manager – North

Russell Chenu, Chief Financial Officer, was a senior executive until he retired from the Company on 29 November 2013.

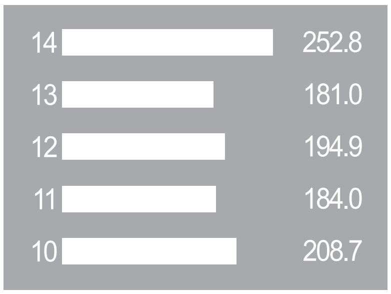
The executive remuneration framework described in this report also applies to the remaining members of the James Hardie Management Team (JHMT), who work with the senior executives to manage the US business.

2. FISCAL YEAR 2014 COMPANY PERFORMANCE AND LINK WITH REMUNERATION POLICY

2.1 Actual Performance

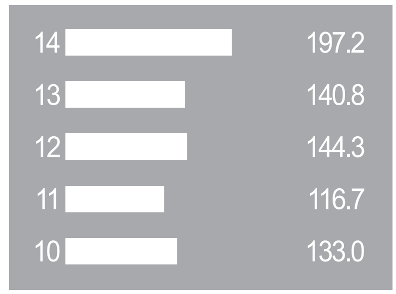
The Company's five-year EBIT and net income, and five-year A$ total shareholder return (including dividends and capital returns) mapped against changes in US housing starts are shown in the graphs below:

EBIT[1]
(Millions of US dollars)



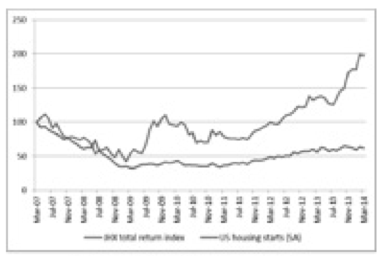
[1] Excludes asbestos, asset impaiments, ASIC expenses and New Zealand product liability expenses

Net Income[2]
(Millions of US dollars)



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

JHX Total Return Index vs US Housing Starts



Sourced internally using publicly available data

Readers are referred to Section 4, "Glossary of Abbreviations and Definitions" which includes the reconciliation of EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability and Net Income excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability to the respective US GAAP equivalent measurements.

2.2 Market Conditions and Company Performance

Operating conditions in the US residential housing market improved during fiscal year 2014. According to the US Census Bureau, single family housing starts, which are one of the key drivers of the Company's performance, were 615,400 for fiscal year 2014, 9% above the prior year. In addition, industry data indicates gains in both single-family and multi-family production.

Overall group operating earnings for fiscal year 2014 increased significantly compared to the prior year, reflecting stronger performance by our USA and Europe Fibre Cement segment and our Asia Pacific Fibre Cement segment. The US and Europe improvement was largely due to improved conditions in the US housing market and higher average net sales price, partially offset by higher production costs and SG&A. The Asia Pacific segment improvement was largely due to increased average net sales price and a reduction in costs achieved in economies of scale, partially offset by depreciation in the exchange rates.

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.

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 75th percentile of the Company's peer group. This approach supports the Company's growth aspirations and provides appropriate alignment with shareholders.

During its annual review, the Remuneration Committee assessed the Company's performance in fiscal year 2014 against the background of the gradual recovery in the US and Asia Pacific markets. This review included reviewing fiscal year 2014 performance against:

- the Company's historical performance;
- the Company's peer group;
- the goals in the Company's STI and LTI Variable Remuneration 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 2014 was:

- above target and fiscal year 2013 on earnings and growth measures, resulting in STI Variable Remuneration outcomes being substantially above both target for fiscal year 2014 and amounts paid for fiscal year 2013; and
- superior to the 75th percentile of its peer group of companies on long-term measures (when taken together with performance in fiscal years 2012 and 2013), such as those set out in the Scorecard, resulting in LTI Variable Remuneration being above target for fiscal years 2012-2014.

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 applicable during fiscal year 2014.

3.1 Overview of Fixed Remuneration

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

3.1.1 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.

3.1.2 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 and an annual financial planning allowance.

3.1.3 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 2014 and have the amount of such reduction contributed to the 401(k) Plan, with a maximum eligible compensation limit of US$260,000. 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.

3.2 Overview of Variable Remuneration

The Company's Variable Remuneration incentive plans for senior executives in fiscal year 2014 were:

Duration	Plan Name	Amount	Form Incentive Paid
Short-term (1 year)	Individual Performance Plan ("IP Plan")	20% of STI Target	Cash
	Company Performance Plan ("CP Plan")[1]	80% of STI Target	Cash
Long-term (3-4.5 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	Cash (Scorecard LTI)

1 Previously referred to as Executive Incentive Plan ("EIP Plan").

3.3 Short-Term Incentive Variable Remuneration

3.3.1 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 company goals (under the CP Plan) and individual goals (under the IP Plan). The STI targets for senior executives in fiscal year 2014 were as follows:

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 (Marsh)	60%	80%	20%
Chief Financial Officer (Chenu)[2]	33%	0%	100%
Other senior executives	60%	80%	20%

2 Retired 29 November 2013.

From fiscal year 2014, the Remuneration Committee approved the introduction of a 'circuit breaker' which, for JHMT members, will prevent payment of any STI under the CP and IP Plans unless JHI plc's performance exceeds a level approved by the Committee each year. The 'circuit breaker' is set at 60% of FY2014 JHI plc plan EBIT (indexed to housing starts) and is calculated after and therefore excludes all of the items JHI plc customarily excludes from its STI calculations, including costs relating to legacy issues such as ASIC proceedings, NZ weathertightness proceedings and changes to the asbestos liability valuation as well as impairment costs the Committee determines should be disregarded.

3.3.2 Short Term Incentives – Company Performance Plan (CP)

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 R. Chenu) can receive between 0% and 300% of their STI target allocated to the CP Plan based on the results of the payout matrix the senior executive is tied to. All senior executives are tied to either the US Payout Matrix or a composite multiple derived from the Payout Matrices 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.

Wood-Aesthetic Market Index (WMI)

From fiscal year 2013, the Remuneration Committee determined that the US payout would be adjusted 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"). In fiscal year 2013 the WMI adjustment was applied to the Growth Measure. The performance requirements for the WMI adjustment remained consistent between fiscal years 2013 and 2014, however for fiscal year 2014, the Remuneration Committee determined the WMI adjustment should instead be applied to the US multiple as determined by the US payout matrix. The WMI adjustment is to be made as follows:

- if the Company meets or exceeds the performance of all three WMI participants, 0.2x will be added to the US multiple as determined by the US payout matrix;
- If the Company meets or exceeds the performance of two of the three WMI participants, there will be no change to the US multiple as determined by the US payout matrix; 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 US multiple as determined by the US payout matrix.

The purpose of this WMI adjustment is 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.

Interior Products Business

Beginning in fiscal year 2014, the Remuneration Committee also reserved for itself discretion to increase or decrease the US multiple as determined by the US payout matrix by an additional 0.2x based on the Remuneration Committee's assessment of management's development and implementation of specific plans for the Company's interior products business.

Payout Matrices

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 expenses associated with New Zealand weathertightness proceedings) 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. Examples of instances when the Remuneration Committee would consider exercising this discretion include external factors outside of management's control, and for the US CP Plan only, if the general shift toward smaller homes at each segment of the US market is considered sufficiently material. The Remuneration Committee will disclose the reasons for any such exercise of 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 2014 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.

3.3.3 Individual Short Term Incentives – Individual Performance Plan (IP)

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 CP component of the STI.

Board and Remuneration Committee assessment of management performance under STI Plans and for Fiscal Year 2014

The Company's results and the subsequent STI payouts for fiscal year 2014 were above STI target and fiscal year 2013 as a result of:

- the US business performing significantly above target on the Growth Measure (which requires performance well above market), due to strong category and market share growth;
- the US business performing substantially above the Return Measure due to higher volumes, higher average net sales price, and lower organisational costs as a percentage of revenue;
- the US business 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 US multiple as determined by the US payout matrix;
- Asia Pacific performing slightly below target on the Growth Measure, due to the Australia business achieving growth above its target offset by the New Zealand and Philippines businesses achieving growth below their respective targets; and
- Asia Pacific performing above target on the Return Measure, due to higher returns in Australia and New Zealand, slightly offset by the lower returns in the Philippines business.

The percentage of the maximum STI Variable Remuneration awarded to or forfeited by senior executives for (individual and corporate) performance in fiscal year 2014 compared to fiscal year 2013 was:

	Cash STI[1] Awarded %	Cash STI[1] Forfeited %
L Gries		
Fiscal Year 2014	88	12
Fiscal Year 2013	20	80
M Marsh		
Fiscal Year 2014	88	12
Fiscal Year 2013	N/A	N/A
R Chenu[2]		
Fiscal Year 2014	67	33
Fiscal Year 2013	75	25
M Fisher		
Fiscal Year 2014	87	13
Fiscal Year 2013	22	78
R Sullivan		
Fiscal Year 2014	99	1
Fiscal Year 2013	29	71
S Gadd		
Fiscal Year 2014	95	5
Fiscal Year 2013	29	71

1 **Awarded** = % of fiscal year 2013 or 2014 Cash STI maximum actually paid. **Forfeited** = % of fiscal year 2013 or 2014 Cash STI maximum foregone. STI amounts were paid in cash under the CP and IP Plans.

2 % of fiscal year 2014 cash STI forfeited for R Chenu is due to his departure from the Company rather than a reduction related to performance.

3.4 Description of LTI Variable Remuneration

3.4.1 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 RSUs – an indicator of growth in the value of the Company's capital efficiency over time;
- 30% to Relative 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 2014 were:

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

3.4.2 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.

Consistent with fiscal year 2013, the maximum payout for the ROCE RSUs is 200% of target LTI. Given the increase in 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 (i.e. 50% vesting) in most years.

ROCE is determined by dividing EBIT by Capital Employed.

EBIT will be 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 weathertightness 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.

The earnings component of ROCE performance targets are predicated on assumptions in market growth. Market growth in our primary markets has two main components – independent third party sourced data for new housing starts, and an independent third party data sourced index for the Repair and Remodel (R&R) market. The two main components are blended for an index of market growth. The corresponding earnings component of ROCE performance targets may then be adjusted for the market growth index if they vary from the original assumptions of market growth. Additionally, Board discretion may also be applied to adjust index outcomes for factors such as external assessments of James Hardie product category market share changes.

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 and forecasted impact of the recovery in the US housing market on EBIT and Capital Employed. Achievement in order to receive awards at LTI target (i.e. 50% vesting) will require improvement on the average of the performance of the Company for fiscal years 2011 to 2013 (after indexing for market improvements). The ROCE result in fiscal years 2013 and 2014 was 17.8% and 25.5%, respectively.

The goals for ROCE RSUs granted in fiscal year 2014 (for performance in fiscal years 2014 to 2016) were increased from the goals for ROCE RSUs granted in fiscal year 2013 as follows:

Fiscal Years 2014-2016 ROCE	**Fiscal Years 2013-2015 ROCE**	**% of ROCE RSUs to vest**
< 19.5%	< 18.5%	0%
≥19.5%, but < 21.0%	≥18.5%, but < 19.5%	25%
≥21.0%, but < 22.5%	≥19.5%, but < 20.5%	50%
≥22.5%, but < 24.0%	≥20.5%, but < 21.5%	75%
≥24.0%	≥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.

3.4.3 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 since fiscal year 2009. The Remuneration Committee made the following changes to the Relative TSR RSUs in fiscal year 2014 to bring this component of the LTI plan more in-line with typical plans seen in Australia and the United States:

- decreased the number of re-tests from four to three; and
- modified the payout threshold to commence at 25% rather than 0% for performance at the 40th percentile.

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 is unchanged from fiscal year 2013 and 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 those faced by the Company. The names of the 25 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 36 to 54 month period from grant date, with testing after the 36th month, and then every six months until the end of the 54 month period. 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 – <80th Percentile	Sliding Scale starting at 25%
≥80th Percentile	100%

The Remuneration Committee will continue to monitor the design of the Relative TSR RSU component of the LTI plan for senior executives with the aim of balancing investor preferences with the ability to motivate senior executives.

3.4.4 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 targets for 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.

The Company has used Scorecard LTI in its LTI Plan since fiscal year 2010. Each year, the Remuneration Committee approves a number of key management objectives, including objectives 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.

No specific weighting is 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 (i.e., 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 2014, including the method of measurement, historical performance against the proposed measures and the Board's expectations, were previously set out in the 2013 AGM Notice of Meeting. An assessment of the Company's Scorecard performance for fiscal years 2012-2014 is set out below. The Company will provide an explanation of the final assessment of performance under the Scorecard for fiscal years 2014-2016 at the conclusion of fiscal year 2016.

Board and Remuneration Committee assessment of management performance under Scorecard LTI for Fiscal Years 2012-2014

The Remuneration Committee's review of the Company's performance over fiscal years 2012-2014 against the Scorecard objectives, and the contribution of individual senior executives, resulted in senior executives receiving an average Scorecard rating of 63% (from a range of 55% to 75%).

The Remuneration Committee's assessment of the Company's performance over the fiscal years 2012-2014 based on the Scorecard objectives as determined in mid-2011 is:

Measure	Performance over period	Board Requirement	Reasons	Assessment of Management's Performance
US Primary Demand Growth ("PDG")	FY14: 9.6% FY13: 6.8% FY12: 10.6%[1]	**Minimum:** Maintain relative to exterior market **Stretch:** Primary demand growth relative to market	A key strategy for the company is to maximise its market share growth/ retention of the exterior cladding market for new housing starts and for Repair & Remodel, 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.
US Product Mix Shift	ColorPlus and Artisan penetration flattened out.	**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.	While improvement flattened over the three-year period, ColorPlus profitability has improved.

1 Figure restated to reflect updated methodology calculation.

Measure	Performance over period	Board Requirement	Reasons	Assessment of Management's Performance
Manufacturing Reset	Product and process efficiency improvement over the three year period, material yield remained flat.	Improvement in product and process efficiency and material yield metrics will be reviewed to confirm manufacturing performance and progress is effectively supporting the product leadership strategy.	As our differentiated product position continues to increase, this initiative will be critical to delivering future growth and optimising returns.	The organisation has successfully shifted the business back to an effective "high utilisation" model.
Safety	FY14: 1.33 23.43 FY13: 1.57 28.9 FY12: 1.46 18.1	No fatalities **Stretch:** 2.0 Incident Rate (IR) and 20 Severity Rate (SR)[2]	Safety of Company employees is an essential ESG measure.	Organisation progressing towards "zero harm". Results below 2 IR and 20 SR are now expected.
Strategic Positioning	Significant progress with acquisition of fibreglass window assembly assets and organic growth in Europe with expanded product portfolio.	It is not possible to set a specific goal for this measure. However, the Board expects that management will continue to diversify products and geographies to provide more balance with a view towards greater future profit growth opportunities.	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.	Fibreglass windows continues to evolve with manufacturing operations running and market work beginning.
Legacy Issues	All major legacy issues known to exist in FY12 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.

2 James Hardie considers only the hours of manufacturing facility employees to determine the IR as these employees have the highest safety risk within the organisation. This methodology yields a higher IR than if James Hardie included all of its employees in the calculation in a manner similar to that of other manufacturing companies, In addition, James Hardie does not consider the employee to have returned to work until s/he has returned to their original position and not on a restricted work basis. This methodology yields a higher SR than if James Hardie considered the employee to have returned to work when they were brought back on restricted work basis.

Measure	Performance over period	Board Requirement	Reasons	Assessment of Management's Performance
Managing During the Economic Crisis	Good result from both a market share and profitability perspective.	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.
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.	Significant improvements in fiscal years 2013 and 2014 offset inadequate outcomes in fiscal year 2012.

3.4.5 Historical performance- Hybrid RSUs

As part of the fiscal year 2012 LTI plan, the Company granted Hybrid RSUs to senior executives. These Hybrid RSUs were granted in June 2012 on the basis of management's performance against EBIT goals in fiscal year 2012. During June 2014, these Hybrid RSUs, which were treated as STI transferred to LTI, vested.

Board and Remuneration Committee assessment of management performance under Hybrid RSU for Fiscal Years 2012-2014

The Remuneration Committee reserved to itself the discretion to review fiscal year 2012 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 214,356 Hybrid RSUs. For those tied to corporate level EBIT performance, this grant was equivalent to 98% of target (and 32.7% of maximum) Variable Remuneration allocated to the Hybrid RSUs. For those tied to US level EBIT performance, this grant was equivalent to 112% of target (and 37.3% of maximum) Variable Remuneration allocated to the Hybrid RSUs. The Remuneration Committee reviewed the Company's performance in fiscal years 2013 and 2014 as part of the fiscal years 2012-2014 Scorecard LTI assessment, and determined that it would not apply any negative discretion in respect of these grants.

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.

3.5 Relative Weightings of Fixed and Variable Remuneration in 2014

The Company's improved performance in fiscal year 2014 was reflected in an increase in the Variable Remuneration paid to senior executives in fiscal year 2014 compared to fiscal year 2013:

	Fixed Remuneration[1]	Variable Remuneration[3]				
		Cash Incentive[2]	ROCE RSUs %	Scorecard LTI %	Relative TSR RSUs %	Total Variable%
L Gries						
Fiscal Year 2014	10	26	22	25	17	90
Fiscal Year 2013	13	7	28	31	21	87
M Marsh[4]						
Fiscal Year 2014	32	31	13	14	10	68
Fiscal Year 2013	-	-	-	-	-	-
R Chenu[5]						
Fiscal Year 2014	83	17	-	-	-	17
Fiscal Year 2013	54	10	13	14	9	46
M Fisher						
Fiscal Year 2014	26	33	14	16	10	74
Fiscal Year 2013	35	11	19	21	14	65
R Sullivan						
Fiscal Year 2014	27	35	13	15	10	73
Fiscal Year 2013	54	15	11	12	8	46
S Gadd						
Fiscal Year 2014	24	34	15	16	11	76
Fiscal Year 2013	52	15	11	13	9	48

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 CP and IP Plans. 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 ROCE RSUs, Scorecard LTI and Relative TSR RSUs granted in fiscal year 2014.

4 Commenced employment 24 June 2013. Received a one-time cash signing bonus of $288,666 and a one-time grant of time vested RSUs under the 2001 Equity Incentive Plan in addition to fiscal year 2014 LTI plan grants.

5 Retired 29 November 2013 and did not receive any equity award grants in fiscal year 2014.

3.6 Variable Remuneration Payable in Future Years

Details of the accounting cost of the Variable Remuneration for fiscal year 2014 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)			
	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017
L Gries	493,786	919,550	922,069	423,245	329,192	613,036	614,715	282,164	329,192	613,036	614,715	282,164
M Marsh	55,749	103,819	104,103	47,785	37,167	69,215	69,404	31,858	127,158	235,978	236,184	108,615
M Fisher	55,749	103,819	104,103	47,785	37,165	69,210	69,400	31,856	40,310	75,067	75,272	34,551
R Sullivan	39,821	74,156	74,359	34,132	26,549	49,440	49,576	22,756	28,792	53,619	53,766	24,679
S Gadd	39,821	74,156	74,359	34,132	26,549	49,440	49,576	22,756	28,792	53,619	53,766	24,679
	684,926	**1,275,500**	**1,278,993**	**587,079**	**456,622**	**850,341**	**852,671**	**391,390**	**554,244**	**1,031,319**	**1,033,703**	**474,688**

1 Represents annual SG&A expense for Scorecard LTI granted in September 2013. 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 2016, 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 2013. 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 2016.

3 Represents annual SG&A expense for the Relative TSR RSUs granted in September 2013 with fair market value estimated using the Monte Carlo option-pricing method.

4 R Chenu retired 29 November 2013 and did not receive any equity award grants in fiscal year 2014.

4. CHANGES TO REMUNERATION FOR FISCAL YEAR 2015

4.1 Overview of Remuneration for Fiscal Year 2015

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

CEO Compensation

There will be no increases in the CEO's base salary or target STI. The CEO's target LTI will increase by US$400,000 to US$3.5 million in fiscal year 2015. The Board believes this adjustment is required to bring the CEO's total compensation package more in line with the total compensation packages of CEO's in the Company's peer group.

Other Senior Executive's Compensation

Base pay and target LTI increases in fiscal year 2015 for other senior executives are as follows:

Name	Base Salary Fiscal Year 2014	Base Salary Fiscal Year 2015	Target LTI Fiscal Year 2014	Target LTI Fiscal Year 2015
M Marsh	$480,000	$500,000	$350,000	$500,000
M Fisher	480,000	490,000	350,000	500,000
R Sullivan	330,000	420,000	250,000	500,000
S Gadd	300,000	390,000	250,000	500,000

Base salary increases for M Marsh and M Fisher were made in line with the Company's annual compensation review guidelines and were adjusted as required to maintain positioning relative to market merit increase levels. Base pay increases for R Sullivan and S Gadd were made to properly align base salary pay with the increase in scope and accountability for their respective positions with the shift in management structure during fiscal year 2014 to a three GM structure.

Target LTI for fiscal year 2015 increased for all senior executives to better align the total direct compensation level for each senior executive with the Company's remuneration philosophy and the total direct compensation levels of the Company's peer group.

There were no changes in target STI for senior executives.

STI Variable Compensation Plans

There will be no changes to the Company's STI Variable Compensation plans.

LTI Variable Compensation Plans

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

- updating the performance hurdles required to achieve vesting of the ROCE RSUs;
- eliminating the first of three re-tests for the Relative TSR RSUs. The Company's relative TSR performance will be measured against the peer group over a 36 to 54 month period from grant date, with testing after the 36th month, 48th month and at the end of the 54 month period. The Remuneration Committee will continue to monitor the appropriate number of re-tests each year; and
- updating the Scorecard objectives for fiscal year 2015.

The 2014 AGM Notice of Meeting contains further details on the ROCE RSU and Relative TSR RSU grants for fiscal year 2015. Changes to ROCE performance hurdles and Scorecard objectives for fiscal year 2015 are set forth in the following section.

4.2 Changes to LTI Variable Compensation for Fiscal Year 2015

4.2.1 ROCE RSUs

The goals for ROCE RSUs to be granted in fiscal year 2015 (for performance in fiscal years 2015 to 2017) were increased from the goals for ROCE RSUs granted in fiscal year 2014 as follows:

Fiscal Years 2015-2017 ROCE	Fiscal Years 2014-2016 ROCE	% of ROCE RSUs to vest
< 22.0%	< 19.5%	0%
≥22.0%, but < 24.5%	≥19.5%, but < 21.0%	25%
≥24.5%, but < 27.0%	≥21.0%, but < 22.5%	50%
≥27.0%, but < 28.5%	≥22.5%, but < 24.0%	75%
≥28.5%	≥24.0%	100%

For fiscal year 2015, the Board has both increased the ROCE performance level at which vesting commences and broadened the ROCE performance hurdles for vesting between 0%-25% and 25%-50%, thereby making it more difficult to achieve at-target vesting. The Board believes this increase in performance hurdles is appropriate given the recovering housing market in the US.

4.2.2 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. For fiscal year 2015, the Remuneration Committee has made a number of changes to the Scorecard. These changes include:

- adding three new goals relating to customer experience, defending market share and trim market strategy implementation;
- renaming one goal relating to manufacturing capacity and efficiency to better reflect organisational targets over the next three years;
- broadening the focus of the capacity expansion goal from Australia only to global; and
- removing the 'legacy issues' goal as all major legacy issues have been concluded.

The goals included in the scorecard for fiscal year 2015 are set forth below:

Goal	Importance	Measurement	Board Expectation
Grow exterior cladding market share and maintain category share in the US business	A key strategy for the Company is to maximise its market share growth/retention of the exterior cladding market for new housing starts and for Repair and Remodel markets.	PDG performance of the Company's exterior cladding compared to underlying market (in square feet).	PDG growth above market. Outperformance against key competition.
Build US organisational and leadership capability in support of the 35/90 growth target	The amount of growth that 35/90 entails requires lower turnover levels and an increase in management depth and organisational capability.	A range of factors including the rate of salaried voluntary turnover, survey results of overall satisfaction, execution of programs to build organisational capability and bench strength for key roles and measure of readiness.	Satisfactory progress on turnover, engagement initiatives and programs to build organisational capability build demonstrated by greater bench strength of high performing managers.
Manufacturing effectiveness and sourcing efficiency	The Company operates a national US network of manufacturing facilities.	First pass quality and service, as well as sheet machine product and process efficiency metrics for sheet machines. Manufacturing performance data is commercial in confidence.	Commercial in confidence targets will be reviewed to confirm progress is supporting the Company's product leadership strategy.
Safety	The safety of all employees is an essential objective of the Company.	Incident Rate (IR): Recordable incidents per 200,000 hours worked Severity Rate (SR): Days lost per 200,000 hours worked	Zero fatalities. IR: 2.0 or below and SR: 20.0 or below.

Goal	Importance	Measurement	Board Expectation
Maintain market position on core products in Australian and New Zealand Markets and grow Scyon to greater proportion of Australian business	Value creating opportunity.	Category share and primary demand growth. Scyon growth will be based on % net sales revenue against total for Australia. Current market position is commercial in confidence.	Grow category share on core Australian and New Zealand products. Grow PDG in Australia and New Zealand. Achieve growth in Scyon percentage of Australian Business.
Global capacity expansion	Expansion to support expected growth over the next 20 years.	Approval, construction and start-up of capacity adds.	Completion of building construction, equipment installation and start up at identified sites.
Strategic positioning	Developing sustainable growth beyond the company's traditional markets may create shareholder value through increased profits and diversification for lower risk.	This measure is subjective and achievement can take many different forms, including developing new technologies, expanding into new product categories, or expanding geographically.	Progress against this goal will be reviewed to ensure any progress is supporting the Company's position in the marketplace.
Customer experience	Necessary to support the Company's 35/90 strategy.	Map the current customer experience and identify needs and barriers throughout the experience (for different customer types). Develop strategies to address gaps identified.	Demonstrated improvement in the customer experience based on measures set up in FY15.
Defend market share position against key wood-look competitor	Necessary to support the Company's 35/90 strategy.	The Company's exterior performance relative to key wood-look competitor in specific markets Current market position is commercial in confidence.	Outgrow key wood-look competitors in specific markets in the aggregate measured on a calendar year basis.
Trim market strategy implementation	Developing sustainable growth beyond the company's traditional products.	This measure is subjective and achievement can take many different forms, including developing new technologies, expanding into new product categories, or expanding geographically.	Commercial in confidence targets will be reviewed to confirm progress is supporting the Company's trim market strategy.

5. REMUNERATION PAID TO SENIOR EXECUTIVES

5.1 Total Remuneration for Senior Executives

Details of the remuneration of the senior executives in fiscal years 2014 and 2013 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	**Total**
L Gries[1]								
Fiscal Year 2014	**$ 951,743**	**$2,835,750**	**$112,564**	**$ 15,228**	**$6,272,763**	**$1,461,408**	**$ -**	**$11,649,456**
Fiscal Year 2013	950,966	638,875	92,873	14,826	5,066,796	1,024,436	63,087	7,851,859
M Marsh[6]								
Fiscal Year 2014	**350,769**	**687,744**	**30,564**	**19,938**	**196,070**	**24,004**	**288,666**	**1,597,755**
Fiscal Year 2013	-	-	-	-	-	-	-	-
R Chenu[7]								
Fiscal Year 2014	**611,453**	**181,136**	**92,738**	**35,202**	**606,825**	**130,790**	**244,621**	**1,902,765**
Fiscal Year 2013	930,969	225,378	86,947	87,677	658,609	92,031	103,314	2,184,925
M Fisher								
Fiscal Year 2014	**473,061**	**673,344**	**43,505**	**15,612**	**712,419**	**158,794**	**-**	**2,076,735**
Fiscal Year 2013	452,145	174,661	42,940	15,273	683,969	104,492	-	1,473,480
R Sullivan								
Fiscal Year 2014	**311,539**	**529,848**	**81,054**	**15,508**	**209,217**	**66,392**	**-**	**1,213,558**
Fiscal Year 2013	268,358	92,948	36,272	15,708	91,521	22,156	10,385	537,348
S Gadd								
Fiscal Year 2014	**281,538**	**463,680**	**36,753**	**16,131**	**220,293**	**47,816**	**-**	**1,066,211**
Fiscal Year 2013	238,777	82,620	41,833	14,327	120,411	39,052	-	537,020
Total Compensation for Senior Executives								
Fiscal Year 2014	**$2,980,103**	**$5,371,502**	**$397,178**	**$117,619**	**$8,217,587**	**$1,889,204**	**$533,287**	**$19,506,480**
Fiscal Year 2013	$2,841,215	$1,214,482	$300,865	$147,811	$6,621,306	$1,282,167	$176,786	$12,584,632

1 L Gries base pay includes US$155,818 and US$149,058 in fiscal years 2014 and 2013, respectively, for his services on the JHI plc Board. For fiscal year 2013, "Other" compensation includes a charge to recognise gross-up and tax paid on equity vested during fiscal years 2013 for which a portion of the vesting period was while L Gries was seconded to The Netherlands.

2 Includes STI amounts (paid in cash) under the CP and IP Plans. Fiscal year 2013 includes over/under accruals from fiscal year 2012. Fiscal year 2014 is actual bonus to be paid in June 2014. Per the CP and IP Plans, 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, 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 2014 and 2013 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 2014 and 2013. During fiscal year 2014, there was a 29.5% appreciation in the Company's share price from US$10.20 to US$13.21.

6 Commenced employment 24 June 2013. Upon hire, received cash in the amount of US$288,666 which is included in the "Other" compensation column as well as a one-time grant of time-vested RSUs as compensation for foregone compensation and benefits at his prior employer. These RSUs were granted 16 September 2013 and are scheduled to cliff vest on the third anniversary of the grant date. The equity award expense for these time-vested RSUs is included in the "Ongoing Vesting" column.

7 Retired from the Company on 29 November 2013. Ongoing equity award expense reflects awards not lapsed or forfeited following retirement. R Chenu did not receive any equity award grants in fiscal year 2014.

5.2 Equity Holdings of Senior Executives

(a) Options

Name	Grant Date[10]	Exercise Price per right (A$)	Holding at 1 April 2013	Granted	Total Value at Grant[1] (US$)	Vested	Exercised	Value at Exercise per right[2] (A$)	Lapsed	Value at Lapse per right[3] (A$)	Holding at 31 March 2014	Weighted Average Fair Value per right[4]
L Gries	21-Nov-06[6]	$8.4000	415,000	415,000	$ 888,100	415,000	(415,000)	6.2665	-	-	-	2.1400
	21-Nov-06[6]	$8.4000	228,600	381,000	$1,131,570	228,600	(228,600)	6.2665	-	-	-	2.9700
	29-Aug-07[6]	$7.8300	445,000	445,000	$ 965,650	445,000	(445,000)	6.8365	-	-	-	2.1700
	29-Aug-07[6]	$7.8300	364,458	437,000	$1,302,260	364,458	(364,458)	6.8365	-	-	-	2.9800
M Marsh	-	-	-	-	-	-	-	-	-	-	-	-
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	55,044	66,000	$ 196,680	55,044	(55,044)	-	-	-	-	2.9800
M Fisher	1-Dec-05[5]	$8.9000	190,000	190,000	$ 386,137	190,000	(190,000)	3.2453	-	-	-	2.0323
	21-Nov-06[5]	$8.4000	68,500	158,500	$ 291,069	158,500	(68,500)	3.7453	-	-	-	1.8364
	10-Dec-07[5]	$6.3800	117,778	277,778	$ 275,084	277,778	(117,778)	3.6556	-	-	-	0.9903
R Sullivan	21-Nov-06[5]	$8.4000	59,600	59,600	$ 109,449	59,600	(59,600)	1.6038	-	-	-	1.8364
S Gadd	-	-	-	-	-	-	-	-	-	-	-	-

(b) Restricted Stock Units

Name	Grant Date	Release Date	Holding and Unvested at 1 April 2013	Granted	Total Value at Grant[1] (US$)	Vested	Lapsed	Holding and Unvested at 31 March 2014	Weighted Average Fair Value per right[4]
L Gries	15-Sep-09[7]	15-Sep-12	234,900	234,900	$1,176,849	(122,844)	-	112,056	$5.0100
	11-Dec-09[7]	15-Sep-12	81,746	81,746	$ 564,865	(42,749)	-	38,997	$6.9100
	15-Sep-10[7]	15-Sep-13	577,255	577,255	$2,595,627	(448,850)	-	128,405	$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	166,459	$1,199,137	-	-	166,459	$7.2038
	14-Sep-12[7]	14-Sep-15	273,732	273,732	$2,041,356	-	-	273,732	$7.4575
	14-Sep-12[9]	14-Sep-15	284,916	284,916	$2,645,360	-	-	284,916	$9.2847
	16-Sep-13[7]	16-Sep-16	-	295,824	$2,047,102	-	-	295,824	$6.9200
	16-Sep-13[9]	16-Sep-16	-	278,393	$2,727,973	-	-	278,393	$9.7990
M Marsh	16-Sep-13[7]	16-Sep-16	-	33,400	$ 231,128	-	-	33,400	$6.9200
	16-Sep-13[9]	16-Sep-16	-	31,431	$ 307,992	-	-	31,431	$9.7990
	16-Sep-13[11]	16-Sep-16	-	56,128	$ 549,998	-	-	56,128	$9.7990
R Chenu	15-Sep-09[7]	15-Sep-12	45,675	45,675	$ 228,832	(23,886)	-	21,789	$5.0100
	11-Dec-09[7]	15-Sep-12	15,895	15,895	$ 109,834	(8,312)	-	7,583	$6.9100
	15-Sep-10[7]	15-Sep-13	72,157	72,157	$ 324,454	(56,106)	-	16,051	$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	-	(7,690)	60,826	$4.1201
	7-Jun-12[8]	7-Jun-14	18,794	18,794	$ 135,388	-	(3,259)	15,535	$7.2038
	14-Sep-12[7]	14-Sep-15	30,905	30,905	$ 230,474	-	(13,774)	17,131	$7.4575
	14-Sep-12[9]	14-Sep-15	32,168	32,168	$ 298,670	-	(14,337)	17,831	$9.2847
M Fisher	15-Sep-09[7]	15-Sep-12	39,150	39,150	$ 196,142	(20,474)	-	18,676	$5.0100
	11-Dec-09[7]	15-Sep-12	13,624	13,624	$ 94,142	(7,124)	-	6,500	$6.9100
	15-Sep-10[7]	15-Sep-13	67,003	67,003	$ 301,279	(52,098)	-	14,905	$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	18,794	$ 135,388	-	-	18,794	$7.2038
	14-Sep-12[7]	14-Sep-15	30,905	30,905	$ 230,474	-	-	30,905	$7.4575
	14-Sep-12[9]	14-Sep-15	32,168	32,168	$ 298,670	-	-	32,168	$9.2847
	16-Sep-13[7]	16-Sep-16	-	33,400	$ 231,128	-	-	33,400	$6.9200
	16-Sep-13[9]	16-Sep-16	-	31,431	$ 307,992	-	-	31,431	$9.7990
R Sullivan	15-Sep-11[7]	15-Sep-14	17,227	17,227	$ 70,977	-	-	17,227	$4.1201
	7-Jun-12[8]	7-Jun-14	5,400	5,400	$ 38,901	-	-	5,400	$7.2038
	14-Sep-12[7]	14-Sep-15	7,064	7,064	$ 52,680	-	-	7,064	$7.4575
	14-Sep-12[9]	14-Sep-15	7,353	7,353	$ 68,270	-	-	7,353	$9.2847
	16-Sep-13[7]	16-Sep-16	-	23,857	$ 165,090	-	-	23,857	$6.9200
	16-Sep-13[9]	16-Sep-16	-	22,451	$ 219,997	-	-	22,451	$9.7990
S Gadd	15-Sep-10[7]	15-Sep-13	16,493	16,493	$ 74,161	(12,824)	-	3,669	$4.4965
	15-Sep-11[7]	15-Sep-14	15,661	15,661	$ 64,525	-	-	15,661	$4.1201
	7-Jun-12[8]	7-Jun-14	4,909	4,909	$ 35,363	-	-	4,909	$7.2038
	14-Sep-12[7]	14-Sep-15	7,064	7,064	$ 52,680	-	-	7,064	$7.4575
	14-Sep-12[9]	14-Sep-15	7,353	7,353	$ 68,270	-	-	7,353	$9.2847
	16-Sep-13[7]	16-Sep-16	-	23,857	$ 165,090	-	-	23,857	$6.9200
	16-Sep-13[9]	16-Sep-16	-	22,451	$ 219,997	-	-	22,451	$9.7990

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 the James Hardie Industries LTIP (LTIP). These options are subject to performance hurdles. The holding as of 31 March 2014 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 the LTIP. These RSUs are subject to application of negative discretion.

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

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

11 Time vested RSUs granted under the 2001 JHI plc Equity Incentive Plan ("2001 Equity Incentive Plan").

(c) Scorecard LTI

Name	Grant Date	Release Date	Holding at 1 April 2013	Granted	Vested[1]	Lapsed	Holding at 31 March 2014
L Gries	29-Jun-10	29-Jun-13	442,424	442,424	(221,212)	(221,212)	-
	7-Jun-11[2]	7-Jun-14	455,239	455,239	-	-	455,239
	14-Sep-12	14-Sep-15	320,531	320,531	-	-	320,531
	16-Sep-13	16-Sep-16	-	313,192	-	-	313,192
M Marsh	16-Sep-13	16-Sep-16	-	35,360	-	-	35,360
R Chenu	29-Jun-10	29-Jun-13	55,303	55,303	(27,651)	(27,652)	-
	7-Jun-11[2]	7-Jun-14	51,398	51,398	-	(5,769)	45,629
	14-Sep-12	14-Sep-15	36,189	36,189	-	(16,129)	20,060
M Fisher	29-Jun-10	29-Jun-13	51,353	51,353	(28,244)	(23,109)	-
	7-Jun-11[2]	7-Jun-14	51,398	51,398	-	-	51,398
	14-Sep-12	14-Sep-15	36,189	36,189	-	-	36,189
	16-Sep-13	16-Sep-16	-	35,360	-	-	35,360
R Sullivan	7-Jun-11[2]	7-Jun-14	12,923	12,923	-	-	12,923
	14-Sep-12	14-Sep-15	8,272	8,272	-	-	8,272
	16-Sep-13	16-Sep-16	-	25,257	-	-	25,257
S Gadd	29-Jun-10	29-Jun-13	12,641	12,641	(8,342)	(4,299)	-
	7-Jun-11[2]	7-Jun-14	11,748	11,748	-	-	11,748
	14-Sep-12	14-Sep-15	8,272	8,272	-	-	8,272
	16-Sep-13	16-Sep-16	-	25,257	-	-	25,257

1 Represents the number of Scorecard LTI awards vesting after the Remuneration Committee's application of the scorecard in respect of fiscal years 2011-2013. A detailed assessment of the reasons for the scorecard ratings was sent out in the fiscal year 2013 Remuneration Report.

2 Scorecard LTI awards in respect of fiscal years 2012-2014 will vest on 7 June 2014. A detailed assessment of the Remuneration Committee's assessment of management's performance is set out in section 3.4 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 2013 and 31 March 2014 are set out below:

	CUFS at 1 April 2013	CUFS at 31 March 2014	Options at 1 April 2013	Options at 31 March 2014	RSUs at 1 April 2013	RSUs at 31 March 2014
L Gries	469,150	471,501	1,453,058	-	2,271,547	2,185,634
M Marsh	-	-	-	-	-	120,959
R Chenu[1]	199,884	255,839	317,044	101,000	289,821	156,746
M Fisher	165,221	204,464	376,278	-	275,463	255,295
R Sullivan	-	-	59,600	-	37,044	83,352
S Gadd	17,532	26,049	-	-	51,480	84,964

1 Retired from the Company on 29 November 2013.

Based on 445,293,092 shares of common stock outstanding at 31 May 2014 (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 2014. None of the shares held by senior executives have any special voting rights. The only change in the number of CUFS, options or RSUs held by senior executives between 31 March 2014 and 31 May 2014 is for R Chenu who exercised all of his remaining 101,000 options on 29 and 30 May 2014. This brings his holdings of options as at 31 May 2014 to nil.

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 the effective date of the guidelines (1 April 2009) or the date the senior executive first becomes subject to the applicable guideline.

During fiscal year 2014, the Company amended the stock ownership guidelines such that the CFO's holding requirement is 1 times base salary.

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). Once a senior executive has met or exceeded the 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 the stock ownership guideline).

The CEO's holdings have exceeded the stock ownership guidelines for some years.

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 2014. 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 2014 and 2015. Salary reviewed annually by the Board and there will be no base salary increase for fiscal year 2015.
Short-term incentive	Annual STI target is 125% of annual base salary for fiscal year 2014 and 2015. 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 year 2014, the LTI target was US$3.1 million. For fiscal year 2015, the LTI target will increase to US$3.5 million.
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 after the age of sixty-five, or with the approval of the Board before age sixty-five, 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

Components	Details
	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	Indefinite. The CFO is an 'at-will' employee.
Base salary	US$480,000 for fiscal year 2014. Salary reviewed annually by the Board and will increase to US$500,000 for fiscal year 2015.
Short-term incentive	Annual STI target is 60% of annual base salary for fiscal year 2014 and 2015. The quantum of STI target is reviewed annually by the Remuneration Committee in May.
Long-term incentive	The CFO will receive a LTI incentive with performance hurdles each year. The value of LTI to be granted will be approved by the Remuneration Committee. For fiscal year 2014, the LTI target was US$350,000. For fiscal year 2015, the LTI target will increase to US$500,000. As a one-time grant upon hire, the CFO received a grant of time-vested RSUs equivalent to US$500,000 on 16 September 2013, these RSUs will vest on the third anniversary of the grant date.
Defined Contribution Plan	The CFO 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 CFO's contributions into the plan up to the annual IRS limit.
Resignation	As an at-will employee, the CFO is not required to provide any notice of resignation.
Termination by James Hardie	The Company may terminate the CFO's employment for cause or not for cause. If the Company terminates the CFO's employment, not for cause, or the CFO terminates his employment "for good reason" within the CFO's first two years of employment, the Company will pay the CFO his then Annual Base Salary and Targeted Annual Bonus, less applicable withholding, provided that he signs and complies with (i) a resignation letter resigning from all office and director positions held at the time, and (ii) a general release of all claims in a form acceptable to the Company. No other termination payments are payable, except as required under the terms of the applicable STI or LTI plans.

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. Senior executives are 'at-will' employees.
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 60% 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	As at-will employees, senior executives are not required to provide any notice of resignation except as required by individual contract.
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.
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. The Company is proposing to seek shareholder approval at the 2014 AGM to increase the maximum aggregate fee pool by US$300,000 to US$2.3 million per annum. 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 during fiscal year 2014, to one of the directors who served on a number of the Company's subsidiary boards. Non-executive directors will not serve on the Company's subsidiary boards during fiscal year 2015 and consequently no fee will be paid for this service.

During fiscal year 2014, the Remuneration Committee reviewed non-executive 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, workload requirements and reduction in net of tax remuneration for US domiciled directors as a result of the company's re-domicile from The Netherlands to Ireland. As a result of the review, fiscal year 2014 fees were adjusted to partly compensate US domiciled directors for the reduction in net of tax compensation received as a result of the Company's re-domicile from The Netherlands to Ireland. The Remuneration Committee also recommended an increase in non-executive director fees as set out below for fiscal year 2015. The FY2015 annual fee adjustments include a 4% increase in base fees, a market-based fee adjustment for the N&GC Chair committee chair of $7,500, and a tax equalisation adjustment fee for the US domiciled chairman, audit committee chair and remuneration committee chair of 27%, collectively.

Position	Fiscal Year 2014 (US$)	Fiscal Year 2015 (US$)
Chairman	$394,779	$462,471
Deputy Chairman	$209,775	$218,145
Board member	$155,818	$162,050
Audit Committee Chair	$ 40,000	$ 73,750
Remuneration Committee Chair	$ 32,500	$ 73,750
N&GC Committee Chair	$ 12,500	$ 20,000
Ad-hoc Board sub-committee attendance	$ 3,000[1]	-
Non-executive member of subsidiary boards	Euro 24,000	-

1 Fee is payable in respect of each ad-hoc Board sub-committee meeting attended. The fee is not payable in respect of standing Board committees.

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 2014 and 2013

The table below sets out the remuneration for those directors who served on the Board during the fiscal years ended 31 March 2014 and 31 March 2013:

(US dollars) **Name**	**Primary Directors' Fees[1]**	**Other Payments[2]**	**Other Benefits[3]**	**Total**
M Hammes				
Fiscal Year 2014	**$ 394,779**	**$122,958**	**$ 24,762**	**$ 542,498**
Fiscal Year 2013	$ 343,980	$ 0	$ 35,523	$ 379,503
D McGauchie				
Fiscal Year 2014	**$ 222,255**	**$ 0**	**$ 18,711**	**$ 240,966**
Fiscal Year 2013	$ 210,655	$ 0	$ 43,978	$ 254,633
B Anderson				
Fiscal Year 2014	**$ 195,818**	**$ 79,770**	**$ 0**	**$ 275,587**
Fiscal Year 2013	$ 169,058	$ 0	$ 13,059	$ 182,117
D Dilger [4]				
Fiscal Year 2014	**$ 68,207**	**$ 0**	**$ 0**	**$ 68,207**
Fiscal Year 2013	$ 178,546	$ 0	$ 0	$ 178,546
D Harrison				
Fiscal Year 2014	**$ 188,318**	**$ 81,821**	**$ 0**	**$ 270,138**
Fiscal Year 2013	$ 159,058	$ 0	$ 6,070	$ 165,128
A Littley				
Fiscal Year 2014	**$ 155,818**	**$ 0**	**$ 547**	**$ 156,365**
Fiscal Year 2013	$ 149,058	$ 0	$ 120	$ 149,178
J Osborne				
Fiscal Year 2014	**$ 155,818**	**$ 0**	**$ 0**	**$ 155,818**
Fiscal Year 2013	$ 149,058	$ 0	$ 0	$ 149,058
R van der Meer				
Fiscal Year 2014	**$ 155,818**	**$ 0**	**$ 0**	**$ 155,818**
Fiscal Year 2013	$ 149,058	$ 0	$ 19,127	$ 168,185
Total Compensation for Non-Executive Directors				
Fiscal Year 2014	**$1,536,830**	**$284,548**	**$ 44,020**	**$1,865,397**
Fiscal Year 2013	**$1,508,471**	**$ 0**	**$117,877**	**$1,626,348**

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

2 Amount relates to a one-off payment to partially compensate non-executive directors who have received a reduction in net compensation following the Company's re-domicile from the Netherlands to Ireland. The impact of the re-domicile meant that US based non-executive directors incurred an increased income tax burden since the Irish tax rate is significantly higher than the US tax rate. The Board deferred consideration of a 'tax equalisation measure' for the affected non-executive directors until (i) it fully understood the tax implications for the affected directors, and (ii) there was a clear improvement in the U.S. housing market and business results began to improve.

3 Other Benefits includes the cost of non-executive directors' fiscal compliance in Ireland and other costs connected with Board-related events.

4 Resigned from the Board on 12 August 2013.

7.5 Director Remuneration for the years ended 31 March 2014 and 2013

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 2014	2013
Managerial Services[1]	**$11,493,638**	$7,702,801
Director Services[2]	**2,021,215**	1,775,406
	$13,514,853	$9,478,207

1 Includes cash payments, non-cash benefits (examples include medical and life insurance benefits, car allowances, membership in executive wellness programs, financial planning and tax services), 401(K) benefits, and amounts expensed for outstanding equity awards for 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 2014 and 2013.

7.6 Non-Executive Directors' Interests in JHI plc

Non-executive directors' relevant interests in JHI plc securities at 1 April 2013 and 31 March 2014 were:

	Number of Shares/CUFS at 1 April 2013	Number of Shares/CUFS at 31 March 2014
M Hammes[1]	37,847	38,444
D McGauchie[2]	20,372	20,372
B Anderson[3]	14,805	14,805
D Dilger[4]	25,000	-
D Harrison[5]	12,384	14,934
A Littley[6]	-	-
James Osborne	2,551	2,551
Rudy van der Meer	17,290	17,290

1 29,444 ordinary shares/CUFS held in the name of Mr and Mrs Hammes. 9,000 ordinary shares/CUFS held as American Depositary Receipts ("ADRs") in the name of Mr and Mrs Hammes.

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

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

[4] David Dilger resigned from the Board 12 August 2013.

[5] 2,384 ordinary shares/CUFS held in the name of Mr Harrison. 11,000 ordinary shares/CUFS held as ADRs in the name of Mr Harrison. 1,550 ordinary shares/CUFS in the name of Mr and Mrs Harrison.

[6] Joined the Board on 27 February 2012.

Based on 445,293,092 shares of common stock outstanding at 31 May 2014 (all of which are subject to CUFS), no director beneficially owned 1% or more of the outstanding shares of the Company at 31 May 2014. 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 2014 and 31 May 2014, other than for Mr Anderson, who acquired 390 ordinary shares/CUFS held as ADRs on 2 April 2014.

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 2014, 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 is subject to performance goals. Participants and award levels are approved by the Remuneration Committee based on local market standards, and the individual's responsibility, performance and potential to enhance shareholder value.

The LTIP was first approved at our 2006 AGM, and our shareholders have subsequently approved amendments to the LTIP in 2008, 2009, 2010 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 2014, there were no options outstanding under the LTIP.

RSUs

From fiscal year 2009, the Company commenced using RSUs granted under the LTIP. As of 31 May 2014, there were 3,275,703 RSUs outstanding under this plan, divided as follows:

		Restricted Stock Units		
Grant Type	**Grant Date**	**Granted**	**Vested as of 31 May 2014**	**Outstanding as of 31 May 2014**
TSR	September 2009	522,000	201,298	183,621
TSR	December 2009	181,656	64,808	59,123
TSR	September 2010	951,194	640,931	183,360
TSR	September 2011	954,705	-	835,408
Hybrid	June 2012	266,627	-	237,239
TSR	September 2012	432,654	-	404,752
ROCE	September 2012	450,336	-	421,293
TSR	September 2013	489,888	-	489,888
ROCE	September 2013	461,019	-	461,019
	Total outstanding			3,275,703

The key terms of these RSUs were:

Relative TSR RSUs	Relative TSR RSUs granted September and December 2009 and September 2010, 2011, 2012 and 2013.
Offered to	Senior executives.
Performance period	Three years to five years from the grant date for the 2009 through 2012 grants. Three years to four and a half years from the grant date for the 2013 grant.
Retesting	On the last Business Day of each six month period following three years from grant date and before the end of the performance period.
Exercise period	Until five years from the grant date for the 2009 through 2012 grants. Three years to four and a half years from the grant date for the 2013 grant.
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 (0-100%) – 100% vesting if TSR is at 80th percentile of peer group.

	For 2013: – 0% vesting if TSR below 40th percentile of peer group. – Between 40th and 80th percentile, vesting is on a straight line basis (starting at 25% to 100%) – 100% vesting if TSR is at 80th percentile of peer group.
RSU exercise price	Not applicable.
Expiration date	Five years from grant date for 2009 to 2012 grants, four and a half years from grant date for 2013 grant.
Vesting Performance	The 2009 Relative TSR RSUs vested 52.3% and the 2010 grant vested 77.7%.

Hybrid RSUs (Previously referred to as Executive Incentive RSUs)	Hybrid RSUs granted June 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	Two years from grant date.
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 and 2013.
Offered to	Senior executives.
Option Exercise Price	Nil.
Vesting schedule	For 2012: 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% For 2013: ROCE — % of ROCE vesting < 19.5% — 0% ≥ 19.5%, but < 21.0% — 25% ≥ 21.0%, but < 22.5% — 50% ≥ 22.5%, but < 24.0% — 75% ≥ 24.0% — 100% A proportion of the resulting number of RSUs (based on the above vesting scales) will actually vest based on the Remuneration Committee's exercise of negative discretion.
Expiration date	Three years from grant date.

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 2014, there were 1,639,146 Scorecard LTI units outstanding under the LTIP, divided as follows:

		Scorecard LTI		
Grant Type	**Grant Date**	**Granted**	**Vested as of 31 May 2014**	**Outstanding as of 31 May 2014**
Scorecard	June 2009	1,083,021	501,556	-
TSR	September 2009	6,373	3,332	3,041
Scorecard	June 2010	821,459	324,027	-
Scorecard	June 2011	716,536	-	643,504
Scorecard	September 2012	506,627	-	473,954
Scorecard	September 2013	518,647	-	518,647
	Total outstanding			1,639,146

On 1 July 2013, 324,027 of the 821,459 Scorecard LTI units that were previously granted on 29 June 2010 as part of the fiscal year 2011 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 the average closing price of JHI plc's common stock for the 10 days preceeding the vesting date.

Under the terms of the LTIP, 518,647 and 506,627 Scorecard LTI units were granted during the years ended 31 March 2014 and 2013, respectively that provide recipients a cash incentive based on JHI plc's average common stock price for the 20-days prior to 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 and 2011 and September 2012 and 2013.
Offered to	Senior executives.
Exercise Price	Not applicable.
Performance period	Three years from the grant date.
Payment schedule	For 2009 to 2011: A cash payment based on the Company's average share price for the 10-days prior to 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. For 2012 and 2013: A cash payment based on the Company's average share price for the 20-days prior to 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 outstanding options and RSUs granted under the 2001 Equity Incentive Plan 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, with the exception of the September 16, 2013 grant to the CFO which cliff vests on the third anniversary of the grant date.

Options

Until fiscal year 2008, the Company issued options to purchase shares of our common stock issued under the 2001 Equity Incentive Plan. The total number granted and outstanding as of 31 May 2014 is below:

	Options	
Grant Date	**Granted**	**Outstanding as of 31 May 2014**
December 2004	5,391,100	12,500
December 2005	5,224,100	338,000
November 2006	3,499,490	287,900
December 2007	5,031,310	129,020
Total outstanding		767,420

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 315,749, 265,988 and 285,358 restricted stock units under the 2001 Equity Incentive Plan in the years ended 31 March 2014, 2013 and 2012, respectively. As of 31 May 2014, there were 604,040 restricted stock units outstanding under this plan, divided as follows:

	Restricted Stock Units		
Grant Date	**Granted**	**Vested as of 31 May 2014**	**Outstanding as of 31 May 2014**
December 2011	281,556	135,544	116,512
March 2012	3,802	1,901	1,901
December 2012	265,988	62,331	174,855
September 2013	56,128	-	56,128
December 2013	259,621	-	254,644
Total outstanding			604,040

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 INDEPENDENCE

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 2014 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 2015.