

Share Time



Your company. Your share.

Information Guide
March 2019



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This document is important and requires your attention. It is important that you read this Information Guide in full before deciding to apply to join the Plan.

1. Introduction

FBuShare is Fletcher Building's employee share plan (the **Plan**) that allows employees of the Fletcher Building Group to purchase Fletcher Building Shares and, subject to certain conditions, receive **Award Shares** at no additional cost on a 1:2 basis.

FBuShare has been designed to make participation as easy as possible. This guide outlines how the Plan works, who is eligible and what you need to do to participate. Appendix B contains People and Performance contact details, should you require further information.

This guide contains general information only and does not constitute financial product advice or any recommendation as to whether you should join FBuShare. You should obtain independent investment, financial, taxation and/or other professional advice before deciding whether or not to participate in FBuShare.

2. How FBuShare works

FBuShare has been designed to make participation as easy as possible. For example:

- You can choose the annual amount you wish to invest from your after-tax pay, subject to certain maximum and minimum annual amounts, which are set out in Appendix C. This is your **Annual Investment Amount**.
- Your Annual Investment Amount will be divided by the number of after-tax payments you receive in the year, and the resulting amount will be deducted from each after-tax payment you receive (your **Regular Payment**). For example, if your Annual Investment Amount is NZ\$3,600 and you are paid monthly, your Regular Payment will be NZ\$300.
- Your Regular Payment will be used to purchase Shares in Fletcher Building on the NZSX or the ASX each month – these shares are called **Purchased Shares**.
- If the Company declares a dividend in respect of Shares that you hold in the Plan, the net cash amount of that dividend will be used to acquire additional Shares, and these too will be held in the Plan. You may also become entitled to additional Shares if the Company undertakes a rights issue or bonus issue. These additional Shares are referred to as **Additional Shares** and will also be held in the Plan.
- If you remain employed within the Fletcher Building Group (in most circumstances) and retain ownership of your Purchased Shares for three years (the **Qualification Period**), you will receive one free Share (Award Share) for every two Purchased Shares acquired using Regular Payments made in the first year of the Qualification Period. You will also be entitled to Award Shares on any Additional Shares on a similar basis.
- As a Fletcher Building shareholder, you will have full voting rights on any Shares that you hold in the Plan.
- Once you join, you will remain in the Plan and will continue to invest the same Annual Investment Amount unless you vary your Annual Investment Amount, suspend your participation in the Plan or withdraw from the Plan.
- If you are employed in a country where it is not possible or practicable due to local laws to offer shares (such as in Fiji and Tonga), you will be invited to participate in a Phantom Plan. The Phantom Plan will operate in the same way as the Share Plan, except that no actual Shares will be physically purchased, held or sold. Instead the Phantom Plan will reflect the cash equivalent of the Share Plan.

3. Who is eligible to participate?

FBuShare is available to all full and part-time permanent employees of any member of the Fletcher Building Group who reside in the following eligible countries, territories and states:

- American Samoa
- Australia
- Fiji
- New Zealand
- Papua New Guinea
- Samoa
- Tongaⁱⁱ
- Vanuatu
- Solomon Islands

i In Fiji, employees will be invited to participate in the Phantom Plan.

ii In Tonga, employees will be invited to participate in the Phantom Plan.

4. How to apply for FBUShare

If you are an eligible employee and you have not already joined FBUShare, you will receive a personalised invitation (a personalised invitation may not continue to be sent in future years) to join FBUShare:

- Where the Group holds an email address for you, your invitation will be sent to your email address.
- If the Group does not have an email address for you, your invitation will be mailed to your postal address.

If you did not receive an invitation email or letter, you should talk to your People and Performance contact (listed in Appendix B). If you already participate in FBUShare you do not need to re-apply. However, you can vary your Annual Investment Amount, suspend your participation in the Plan or withdraw from the Plan during the March 2019 Plan Window. Details on these options and how to exercise them are contained in section 5.

4.1 Options for applying

You can apply for FBUShare in one of three ways:

- Online by selecting the link in the invitation email
- Online by following the “application” link on the FBUShare website, **www.fbushare.com**
- By completing a hard copy application form and working with your local payroll or People and Performance contact to complete the online application on your behalf.

No other form of application will be accepted.

Applications to join FBUShare must be made at any time on or after 1 March and before 11.59pm New Zealand time on 25 March 2019. Once you have applied to join FBUShare and your application has been accepted you will continue to participate in the Plan on the same basis in future and you do not need to re-apply every year.

If you do not wish to participate you are not required to take any action.

4.1.1 Applying online

Email Invitation Recipients:

- Click on the web link contained in the invitation email which will take you to the FBUShare website, **www.fbushare.com**.
- Click on the ‘Apply for FBUShare’ button to access your application.
- Enter your last name and employee offer ID as it appears in your invitation email.
- Click on the ‘Login to Apply’ button to proceed with your application.
- Click on ‘Apply’ on the ‘FBUShare’ line to proceed with your application.

Letter Invitation Recipients:

- Go to the FBUShare website, **www.fbushare.com**.
- Click on the ‘Apply for FBUShare’ button to access your application.
- Enter your last name and employee offer ID as outlined in the invitation letter.

Once the application is complete, a confirmation number will be provided. The confirmation number should be kept as a record of your application.

If you entered a valid email address during your application, you will also be sent an email confirming that your application has been received.

4.1.2 Applying via your local payroll or People and Performance contact

If you are unable to apply online please contact your local payroll contact for assistance. You will be required to complete a hardcopy application form. The hardcopy application form will need to be returned to your local

payroll contact who will then complete an online application on your behalf. Your local payroll contact should provide you with a print out of the confirmation information for you to keep for your records. If your local payroll contact cannot provide assistance, please approach your People and Performance contact.

5. Options for those already participating in FBUShare

If you are currently participating in FBUShare you will receive an email notifying you when the Plan Window is open. You have the following options during the March 2019 Plan Window:

5.1 Continue to contribute at your current Annual Investment Amount

To continue participating in FBUShare at your current Annual Investment Amount, you don't need to do anything. Please be aware that if you have previously applied to contribute at the maximum Annual Investment Amount and the maximum Annual Investment Amount decreases, your contributions will automatically be reduced to the new maximum Annual Investment Amount – see section 9.5.6 for an explanation.

5.2 Vary your Annual Investment Amount (up or down)

If you wish to vary your Annual Investment Amount (within the maximum and minimum Annual Investment Amounts set by the Company), then you will need to follow the instructions below. Pay deductions for your new Annual Investment Amount will start as soon as practical after 1 April 2019.

- Click on the web link contained in the invitation email which will take you to the FBUShare website, **www.fbushare.com**.
- Click on the 'Apply for FBUShare' button to access your application.
- Enter your last name and employee offer ID as it appears in your email.
- Click on the 'Login to Apply' button.
- Click on 'Amend' on the 'FBUShare' line to change your annual contribution.

Once the amendment is complete, a confirmation number will be provided. The confirmation number should be kept as a record of your amendment.

You will also be sent an email confirming that your amendment has been received.

5.3 Stop contributing to FBUShare

If you wish to stop contributing to FBUShare and stop acquiring Purchase Shares on your behalf, then you will need to follow the instructions below. Your current pay deductions will stop from 1 April 2019. However, contributions made during March 2019 will be used to acquire Purchased Shares in April 2019.

- Click on the web link contained in the invitation email which will take you to the FBUShare website, **www.fbushare.com**.

- Click on the 'Apply for FBUShare' button to access your preloaded application.
- Enter your last name and employee offer ID as it appears in your email.
- Click on the 'Login to Apply' button.
- Click on 'Cancel' on the 'FBUShare' line to stop your FBUShare contributions.

Once you cancel your preloaded application, a confirmation number will be provided. The confirmation number should be kept as a record of stopping of your contributions. You will also be sent an email confirming that your request to stop your FBUShare contributions has been received.

Any Purchased Shares that you have already accumulated in FBUShare will be held in the Plan in your name and you will retain your right to receive Dividend and Award Shares on those Purchased Shares (provided you meet the Award Conditions).

You can recommence contributions to FBUShare during the next Plan Window in March 2020 or any Plan Window after that (if FBUShare continues to be offered in future years).

5.4 Withdraw from FBUShare

If you wish to withdraw from FBUShare, then first follow the instructions to stop your FBUShare contributions and then at the end of April 2019 you will need to take steps to sell or transfer all of your Shares out of FBUShare, through the employee online facilities at **www.computershare.com/fbushare**. Any sale of Shares must be made in compliance with insider trading laws and Fletcher Building's securities trading policy.

You will no longer be eligible to receive Award Shares on any Purchased Shares that you sell or transfer out of FBUShare.

You can reapply to participate in FBUShare during the next Plan Window in March 2020 or any Plan Window after that (if FBUShare continues to be offered in future years).

6. For assistance

If you require assistance with your application or if you have any questions regarding FBUShare, please:

- Refer to the information available on **www.fbushare.com**.
- Refer to the frequently asked questions available on **www.computershare.com/fbushare**.
- Email Computershare Plan Managers at **FBUShare@computershare.com.au**.
- Talk to your People and Performance contact (listed in Appendix B) or your financial adviser.

- ‘Ask Penny’ a question at **www.computershare.com/fbushare**.
- Telephone Computershare Plan Managers in New Zealand **0800 451 541**, Australia **1800 008 188** or international **+613 9415 4353** (international call rates apply).

7. Understanding the Plan

7.1 Deciding to participate

You should carefully read all of this guide and seek your own financial, taxation and/or other professional advice to determine whether you would like to participate in FBuShare and, if so, how much to invest each year. Fletcher Building cannot advise you whether or not to participate in the Plan or how much to invest. Please note that you can only apply to join the Plan during the March 2019 Plan Window, which ends at 11.59pm New Zealand time on 25 March 2019 or any future Plan Window (if the Plan is offered in future years).

It must be clearly understood that the market price of Shares at any time could be lower than the price you paid for the Shares. Equally, the price could be higher. This is a normal risk of investing in shares. Exchange rates can also vary which may impact on the value of Shares you acquire under the Plan when converted to your local currency.

7.2 Share purchases

If you join FBuShare during the March 2019 Plan Window, your Regular Payment will be deducted from each after-tax pay beginning as soon as practicable after 1 April 2019, which is the start of the next Plan Year. Your Regular Payment will be held by your employer and remitted to the Plan Administrator (Computershare Plan Managers, Australia) on a monthly basis.

The Plan Administrator will hold all contributions until used to acquire Shares. The Plan Administrator will acquire Shares in Fletcher Building on the NZSX or the ASX on behalf of all Participants on a monthly basis using all contributions made in the immediately preceding month. This is intended to result in all Participants paying the same price for Purchased Shares each month. Brokerage and other applicable costs incurred in connection with the acquisition of such Shares will also be met from Regular Payments. No interest is payable by the Plan Administrator or the Company on Regular Payments for the period the Regular Payments are held until they are used to acquire Shares under the Plan.

Where practicable, Shares will be acquired on the NZSX for employees whose payroll currency is NZD and on the ASX for employees whose payroll currency is AUD, to avoid unnecessary exchange rate costs. Employees

in countries outside New Zealand and Australia will have their Regular Payment converted to AUD so their shares can be acquired on the ASX.

Acquisitions of Shares by the Plan Administrator may be suspended by the Company for certain Participants at any time in order to avoid breaching insider trading laws. In general terms, this will occur only if the Company believes that a Participant holds price sensitive information about the Company which has not been disclosed to the market. If you are affected by the Company's securities trading policy, your Regular Payments will continue to accrue and, when the purchase restriction is lifted, the Plan Administrator will purchase Shares using your accrued Regular Payments.

7.3 Selling your Shares

You can ask the Plan Administrator to sell some or all of the Shares that you hold in the Plan prior to the end of the three year Qualification Period. The proceeds paid to you from the sale of such Shares will be net of brokerage and other applicable costs. You will lose the right to receive Award Shares on the Shares you sell. Again, any sale of Shares in the Plan must be made in compliance with insider trading laws and the Company's securities trading policy.

7.4 Receiving Award Shares

If you remain employed within the Fletcher Building Group for the three year Qualification Period, you will receive one free Award Share for every two Purchased Shares that you still hold at the end of the Qualification Period. You will also be entitled to Award Shares on any Additional Shares you hold, on a similar basis.

The Qualification Period for Shares acquired during a Plan Year ends on the third anniversary of the commencement of that Plan Year. For example, where you make a Regular Payment in November 2019, Purchased Shares will be acquired in the Plan Year commencing 1 April 2019, and you will therefore be eligible for Award Shares in respect of them on 1 April 2022 (assuming you still hold those Purchased Shares and remain employed within the Fletcher Building Group on that date).

The Qualification Period may be reduced for employees who leave in certain circumstances – see section 7.10 for further details.

Award Shares will be allocated to you as soon as practicable, but in any event no later than 30 days after you become entitled to them.

Allocations of Award Shares may be suspended by the Company for some or all Participants at any time in order to avoid breaching insider trading laws. In that case, Award Shares will be allocated when the transfer restriction is lifted.

7.5 After the end of the Qualification Period

After you have received Award Shares, you can transfer or sell these Shares and the Purchased Shares and Additional Shares to which they relate, or continue to hold them in the Plan (unless the Company instructs you to sell or transfer them out of the Plan). If you keep these Shares in the Plan, they will continue to be treated in the same way as other Shares held in the Plan (for example with respect to dividends, rights issues and bonus issues), but you will not be entitled to Award Shares on them.

7.6 Variations to participation, cease contributions or withdraw from the Plan

Once you have joined, you must remain in the Plan and make the same Regular Payments for at least 12 months (except in the circumstances described below).

During a Plan Window (which is the period specified by the Company during March each year) you can:

- Vary your Annual Investment Amount.
- Cease contributing to the Plan, so that your contributions stop and you retain existing Shares in the Plan so they are eligible for Award Shares at the end of the Qualification Period.
- Withdraw from the Plan, so that you cease to make contributions to the Plan and either sell or transfer all of the Shares that you hold in the Plan. If you don't make an election to either sell or transfer your Shares, the Shares will be sold and the proceeds transferred to you. You will no longer be eligible for Award Shares.
- Recommence your investment in the Plan or rejoin the Plan (if you have previously elected to suspend your participation in the Plan or you have withdrawn from the Plan).

To do any of the above you will need to follow the instructions in section 5 of this Guide or alternatively you can contact your People and Performance contact.

You can only stop your contributions to the Plan or withdraw from the Plan or vary your Annual Investment Amount outside a Plan Window if:

- You change the country you work in and the currency in which you are paid.
- You take unpaid leave.
- You receive approval from the Company. The Company will approve suspension or withdrawal from the Plan in cases of genuine financial hardship.

7.7 The Company may change certain terms of the Plan

The Company may vary certain terms of the Plan from time to time, in particular the Qualification Period, the Award Ratio, the Award Conditions, the Maximum

Investment Amount in each currency and/or the Minimum Investment Amount in each currency. If the Company varies any of these terms, it will notify all Participants before a Plan Window. Participants may then elect to vary their participation in the Plan, suspend their participation in the Plan or withdraw from the Plan during the Plan Window. If you do not elect to suspend your participation in the Plan or withdraw from the Plan, the new terms will apply to all Shares acquired in all future Plan Years.

7.8 The Company may scale your investment in the Plan in certain circumstances or reject applications

If there is a limit on the Shares that may be acquired under the Plan by employees in a certain jurisdiction due to local laws, the Company may scale back the amounts invested in the Plan by Participants in that jurisdiction to ensure that the limit is not breached. Also, it is possible that such limits may from time to time prevent dividends from being used to acquire Additional Shares. You will be notified if any scale back of your investment in FBuShare is required or if Additional Shares cannot be acquired on your behalf using dividends.

In addition, there may be limits on the number of participants in the Plan in certain jurisdictions due to local laws. If the Company receives applications from employees in such a jurisdiction in excess of the specified limit, the Company will conduct a ballot to determine which employees will be accepted to participate in the Plan. All applications in excess of the limit will be rejected.

7.9 Dividends, bonus issues and rights issues

Any dividends received on Shares that you hold in the Plan will be invested in buying further Shares. These Shares will be held in the Plan and will also be eligible for Award Shares. You will not be entitled to participate in the Company's dividend reinvestment plan applying to other holders of Shares in the Company.

If the Company makes a bonus issue of Shares, you will be entitled to receive bonus Shares relating to the Shares that you hold in the Plan, and these bonus Shares will also be held in the Plan. You will be entitled to Award Shares on these bonus Shares at the same time as you would be entitled to Award Shares on the Purchased Shares which gave rise to your right to such bonus Shares.

If the Company makes a renounceable rights issue (meaning that the right to acquire further Shares is able to be sold), then the Plan Administrator will sell the rights accruing on Shares held in the Plan on your behalf. Unless the Company decides otherwise, it will then use the proceeds of the sale of the rights to acquire more Shares, which will also be held in the Plan. You will be entitled to Award Shares on these Shares at the same time as you would be entitled to Award Shares on the Purchased Shares which gave rise to the rights.

If the Company makes a non-renounceable rights issue of Shares (meaning that the right to acquire further Shares is unable to be sold), Participants will not be able to take up their rights and acquire more Shares in relation to any Shares remaining in the Plan.

7.10 Leaving the Fletcher Building Group

The Plan is for Fletcher Building Group employees only. If you cease to be an employee of the Fletcher Building Group, you will not be able to continue your participation in the Plan. In normal circumstances, if you leave the Fletcher Building Group before the end of the Qualification Period, you will be ineligible to receive Award Shares. There are, however, some circumstances where you can still receive Award Shares on ceasing to be a Fletcher Building Group employee, which are outlined in the table below:

Reason for leaving the Fletcher Building Group	Entitlement to Award Shares
Death, illness, injury, disability, redundancy, retirement, divestment or sale of a business.	Pro rata entitlement to Award Shares based upon how much of the Qualification Period has expired.
Resignation, termination, dismissal, mutual agreement if reason is performance related.	No entitlement to Award Shares.

7.11 Phantom Shares

In some countries (including Fiji and Tonga) it is not possible or practical due to local laws to offer shares to employees. If you live in Fiji or Tonga, you will instead be offered the opportunity to participate in the Phantom Plan. The Phantom Plan mirrors normal participation except that Shares will not be physically purchased, held or sold and is intended to result in Participants receiving the same benefits as they would have under the Plan if they had held Shares. The key elements of the Phantom Plan are as follows:

- The number of Phantom Purchased Shares and Phantom Award Shares granted to you will equal the number of actual Purchased Shares and actual Award Shares that would have been acquired by you if you were able to hold Shares.
- The same Award Ratio, Award Conditions and Qualification Period will apply to the Phantom Plan.
- Phantom Purchased Shares will be treated in the same way as Purchased Shares in relation to dividends, bonus issues, rights issues and any capital reorganisation.

- Holders of Phantom Shares will have no voting entitlements.
- You may give notice to the Plan Administrator to realise the value of all or some of your Phantom Shares at any time in the same way and with the same consequences as selling Shares under the Plan. You will receive a payment of the same amount you would have received if you had sold the same number of Shares under the Plan.
- At the end of the Qualification Period for your Phantom Purchased Shares you will receive a cash payment equal to the notional value of those Phantom Purchased Shares, and the Phantom Award Shares and Phantom Additional Shares relating to those Phantom Purchased Shares, provided that you still remain employed within the Fletcher Building Group.

8. Examples of participation in the Plan

The Company has prepared a number of examples of participation in the Plan to illustrate how exchange rate and Share price movements may affect the value of Shares held in the Plan. These examples can be accessed on the FBuShare website, www.fbushare.com. The Company strongly recommends that you review the examples on the FBuShare website before deciding whether to join the Plan.

These examples have been prepared for illustrative purposes only. Fletcher Building's Share price, the exchange rate and the level of each employee's Annual Investment Amount will affect both the number of Shares purchased and the value of the Shareholding.

9. Frequently Asked Questions

9.1 Benefits

9.1.1 Why has FBuShare been introduced?

- To encourage all employees to identify with Fletcher Building.
- To allow employees to participate in the growth of Fletcher Building (if any).
- To encourage a focus on the performance of the Fletcher Building Group as a whole in addition to focussing on an employee's business unit.
- To drive an improvement in business performance for the Fletcher Building Group.
- To increase the proportion of employees who hold Shares in Fletcher Building.
- To assist in the retention of employees.
- To align the interests of Fletcher Building Group employees with those of Fletcher Building's shareholders.

9.1.2 How could I benefit from participating in FBuShare?

You have the opportunity to receive Award Shares in Fletcher Building at no further cost simply by remaining employed within the Group and continuing to hold Purchased Shares over the Qualification Period. You will also be entitled to dividends on Shares in the Plan which will be invested to purchase more Shares.

9.2 Who can participate?

9.2.1 Can my family members participate in FBuShare?

No. The Plan is only available to eligible employees. You may transfer Shares to family members at any time (subject to local laws governing sales of securities) but if you choose to transfer Shares to family members during the Qualification Period, you will lose the ability to receive Award Shares in respect of those Shares.

9.2.2 Is there a minimum length of service required to join FBuShare?

No. To be eligible, employees only need to be employed within the Fletcher Building Group at the time set by the Company for applications to be received (25 March 2019).

9.3 How to Participate

9.3.1 If I join the Fletcher Building Group after the March 2019 Plan Window has closed, can I join the Plan?

No. You will not be able to join the Plan until the next Plan Window.

9.3.2 Do I need to reapply each year to participate?

No. Once you have joined the Plan, your Regular Payments will continue to be deducted from your after-tax pay until you elect to vary or stop your contributions to the Plan or withdraw from the Plan (which may only be done during a Plan Window). However, there is no guarantee that the Plan will continue to be offered in future years.

9.4 Terms of the Plan

9.4.1 Will all eligible employees receive the same offer?

Yes. However, employees in some jurisdictions where it is not possible or practicable to offer Shares due to local laws (such as in Fiji and Tonga) will receive an offer to participate in the Phantom Plan (which is described in section 7.11).

9.4.2 Can the Plan be amended?

Yes, the Company may amend the terms of the Plan in its complete discretion prior to a Plan Window each

year, and those amended terms will apply to all Shares acquired in Plan Years commencing after the amended terms have been announced. You have the option to vary or suspend your participation in the Plan, or withdraw from the Plan during the Plan Window before the amendments take effect.

9.5 Investment

9.5.1 Can I choose the currency of my contributions?

No, your contributions will be made in the currency you are paid in.

9.5.2 Do I have to make my investment through my payroll?

Yes, by way of payroll deductions of your Regular Payment.

9.5.3 Can I make my investment through salary sacrifice?

No. Deductions will be made from your after-tax pay.

9.5.4 Can I make a lump sum payment towards my annual investment?

No.

9.5.5 How do I know if the Plan Administrator has received my Regular Payment each month?

If you join FBuShare during the March 2019 Plan Window, deductions will be made from your first after-tax pay after the start of the Plan Year immediately following the March 2019 Plan Window Period (1 April 2019), provided that the Company has had time to process your application.

You can review your transaction details through the Fletcher Building Employee Share Plan Centre, www.computershare.com/fbushare, to confirm that the Plan Administrator has received your Regular Payment. If your Regular Payment is not deducted, you should advise your payroll contact immediately. If the Plan Administrator does not receive Regular Payments from you, Purchased Shares will not be acquired on your behalf.

9.5.6 What happens if the Maximum Investment Amount changes?

If the Maximum Investment Amount decreases and, as a result, your Annual Investment Amount exceeds the new maximum, your Annual Investment Amount will automatically decrease to the new applicable maximum amount. If the Maximum Investment Amount rises, then your Annual Investment Amount will not change unless you elect to change it.

9.5.7 What happens if the Minimum Investment Amount changes?

There will be no change to the amount of your investment if the Minimum Investment Amount changes (whether up or down). However, if the Minimum Investment Amount rises, and, as a result, your Annual Investment Amount is less than the new applicable minimum amount and the Company considers this to be impractical or unworkable, the Company may give you notice to increase your Annual Investment Amount to the new applicable Minimum Investment Amount. If you have not increased your Annual Investment Amount to at least the new applicable Minimum Investment Amount by the end of the next Plan Window, the Company may suspend you from further participating in the Plan. In this situation, any Shares held by you in the Plan will remain eligible for Award Shares at the end of the Qualification Period in the usual way, provided you meet the Award Conditions.

9.6 Shares

9.6.1 What Share price will be used to calculate my purchases?

Shares will be acquired on the NZSX or ASX on behalf of all Participants on a monthly basis using contributions made in the previous month, so the purchase price will be the market price (plus any brokerage or other costs of acquiring shares). This is intended to result in all Participants paying the same price for Purchased Shares each month.

9.6.2 How can I track how many Shares have been purchased on my behalf each month?

You can access details of your holding online at www.computershare.com/fbushare. Each month your Purchased Share details will be updated.

9.6.3 Where can I track the current Share price?

You can track the current Fletcher Building Share price through the Fletcher Building Investor Centre, www.fbu.com. A link to this site is available from www.fbushare.com.

9.6.4 Who will hold my Shares in the Plan?

Your Shares will be registered in the name of a nominee on the Fletcher Building Share registry and held on your behalf. Although the nominee is the legal owner of the Shares, the nominee holds them on behalf of each employee on the terms of the Plan and can only act in accordance with the directions of each employee in relation to those Shares.

9.6.5 As an employee Shareholder, what rights will I have?

Shares that you hold in the Plan will give you the right to vote on shareholder resolutions, and you will also be entitled to any dividends declared by Fletcher Building. Dividends will be invested in further Fletcher Building Shares through participation in the Dividend Programme and these further Shares will also be eligible for Award Shares. Other entitlements arising in respect of Shares held in the Plan are described below and in the Plan Rules.

Employees participating in the Phantom Plan will not have any right to vote on shareholder resolutions but will be entitled to the equivalent economic benefit of dividends declared by Fletcher Building.

9.6.6 Are there any risks or disadvantages in owning Shares?

Yes, every investment in shares in a company involves an element of risk. There is no guarantee that Fletcher Building's Share price will rise to a higher level than the price at which you buy the Shares or that it will not fall below that price. The market price of the Shares is determined by the price at which Shares are sold on the New Zealand and Australian stock exchanges.

It must be clearly understood that the market price of Shares at any time could be lower than the price you paid for the Shares. Equally, the price could be higher. This is a normal risk of investing in shares. Exchange rates can also vary which may impact on the value of Shares you acquire under the Plan when converted to your home currency. Fletcher Building cannot advise you whether or not to participate in the Plan.

9.6.7 Can I sell Shares that I hold in the Plan?

Yes, you can sell your Shares at any time through the FBuShare online sale facility at www.computershare.com/fbushare or by transferring the Shares into your own name and using a broker of your choice. However, if you sell your Shares before the end of the three year Qualification Period, you will not receive Award Shares in relation to the Shares you have sold.

Any sales of Shares must be made in compliance with insider trading laws and Fletcher Building's securities trading policy.

9.6.8 Can the Company ever direct my Shares be sold?

The Company can direct any of your Shares in the Plan to be sold without your approval to pay any tax due in relation to your Shares which the Company is required to remit. The Company will only sell such number of your Shares as are required to be sold to meet the tax due in connection with your Shares.

9.6.9 How will my Award Shares be obtained?

If at the end of the Qualification Period you are still employed by the Fletcher Building Group you will receive one free Award Share for every two Purchased Shares acquired using Regular Payments made in the first year of the Qualification Period provided you still hold those Shares at the end of the Qualification Period. You will also be entitled to Award Shares on any Additional Shares you hold, on a similar basis. The Company will cause the Award Shares to be transferred or issued to you as soon as practicable, and not later than 30 days after your entitlement to the Award Shares arises.

The Qualification Period for Shares acquired using Regular Payments made during the 2019 Plan Year ends on 31 March 2022. This means that if at 31 March 2022 you are still employed by the Fletcher Building Group you will receive one free Award Share on 1 April 2022 for every two Purchased Shares acquired using Regular Payments made during the 2019 Plan Year, provided you still hold these Shares as at 31 March 2022.

9.6.10 How does a bonus issue affect the Plan?

If the Company makes a bonus issue of Shares, you will be entitled to receive bonus Shares relating to Shares that you hold in the Plan.

9.6.11 How does a rights issue affect the Plan?

If the Company makes a renounceable rights issue (meaning that the right to acquire further Shares is able to be sold), then the Plan Administrator will sell the rights on behalf of Participants and, unless the Company decides otherwise, will use the proceeds of the sale to acquire more Shares.

If the Company makes a non-renounceable rights issue of Shares (meaning that the right to acquire further Shares is unable to be sold), Participants will not be able to take up their rights and acquire more Shares in relation to any Shares remaining in the Plan. This also applies to any share purchase plan undertaken by the Company.

9.7 Phantom Plan

9.7.1 What is the Phantom Plan and what are Phantom Shares?

The Phantom Plan is being offered in countries where it is not possible or practical, due to local law, to offer shares to employees. In this offer, the Phantom Plan is being offered in Fiji and Tonga. Participation through the Phantom Plan will mirror normal participation (including entitlement to dividends, bonus shares and rights issues), except that no Shares will be physically purchased, held or sold by or on behalf of the employee.

9.7.2 Can I sell my Phantom Shares?

Yes, you can give notice to the Plan Administrator to realise the value of all or some of your Phantom Shares at any time in the same way and with the same consequences as selling Shares under the Plan. You will receive a payment of the same amount you would have received if you had sold the same number of Shares under the Plan.

9.7.3 What happens at the end of the Qualification Period under the Phantom Plan?

At the end of the Qualification Period for your Phantom Purchased Shares, you will receive a cash payment equal to the notional value of those Phantom Purchased Shares, and the Phantom Award Shares and Phantom Additional Shares relating to those Phantom Purchased Shares, provided that you still remain employed within the Fletcher Building Group. You may not hold Phantom Shares in the Plan after the end of the Qualification Period.

9.8 Temporary leave

9.8.1 What happens if I go on temporary leave (e.g. maternity/parental leave, sick leave, long-service leave and sabbatical)?

If you are on paid leave, deductions of the Regular Payment will be made to acquire Purchased Shares on your behalf. If you take unpaid leave, your Regular Payments will cease, as will purchases of Shares on your behalf. If you recommence paid leave or return from leave, your Regular Payments and purchases of Shares on your behalf will recommence. You will be unable to make additional payments prior to, or on return from, temporary leave. If you are on unpaid leave at the end of a Qualification Period you will still receive the Award Shares for which you are eligible.

9.9 Change of control

9.9.1 What happens if there is a change of control of Fletcher Building?

If there is a change of control of Fletcher Building, such as an amalgamation or court sanctioned arrangement or if the Company passes a resolution for voluntary winding up, the Company may determine that the Award Conditions are satisfied in respect of some or all Shares and Phantom Shares in the Plan and as a consequence you may be entitled to receive Award Shares or Phantom Award Shares, as applicable, relating to those shares.

9.10 Relocating

9.10.1 I am relocating within the Fletcher Building Group, and my payroll will stay the same. How do I continue to participate?

Your FBuShare investment is payroll based so provided that the Plan is available in the country to which you relocate, you don't need to do anything in this circumstance. Your Annual Investment Amount will continue to apply without change.

9.10.2 I am relocating within the Fletcher Building Group and my payroll will change. How do I continue to participate?

Provided that the Plan is available in the country to which you relocate, in this circumstance you will need to do all of the following:

- Advise your People and Performance contact that you are a participant in FBuShare.
- Advise your new payroll contact that you are a Participant.
- Ensure that the new payroll deducts your Regular Payments in accordance with your new Annual Investment Amount.

Your new Annual Investment Amount will be calculated using the new currency in which you are paid, based on the same relative proportion of the Maximum Investment Amount. For example if you were originally based in New Zealand and elected to contribute 80% of the New Zealand Maximum Investment Amount, and you moved to Australia your Annual Investment Amount would change to 80% of the Australian Maximum Investment Amount.

If your salary will be paid in a different currency, please refer to the table in Appendix C for the Maximum Investment Amount and Minimum Investment Amount applicable to your new currency.

9.10.3 What if I relocate to a non-participating country?

Your participation in the Plan will cease, however your existing Shares will remain in the Plan and you will continue to be entitled to receive Award Shares for these Shares (subject to applicable law) provided the Award Conditions are met. If local laws in the country to which you relocate restrict the allocation to you of the Award Shares then the Company will pay out the cash equivalent of those Award Shares to which you would be entitled at the end of the Qualification Period.

9.11 Additional information about FBuShare

9.11.1 How can I find out more about FBuShare?

For a copy of the Plan Rules or more information about FBuShare, please refer to the Plan documentation available:

- Online at www.fbushare.com.
- Online at www.computershare.com/fbushare.
- From your People and Performance contact (listed in Appendix B).

If you require assistance with your application or need any further information, please refer to section 6.

9.11.2 Where can I get more information about Fletcher Building and its Shares?

More information about Fletcher Building and Fletcher Building Shares (including the current price of Fletcher Building Shares) can be found on Fletcher Building's website at www.fbu.com.

9.11.3 How do I view my holding during the year?

To view and manage your holding please log on to www.computershare.com/fbushare and enter your SRN (Securityholder Reference Number) & PIN (Personal Identification Number).

Participants will be issued with a confirmation of enrolment communication containing their SRN, and a PIN communication will follow shortly thereafter.

9.11.4 I have forgotten my PIN – how can I get another one?

Visit www.computershare.com/fbushare and click on the 'Forgotten PIN?' link to receive a new PIN.

10. Other information

10.1 Date

This guide is dated 1 March 2019.

10.2 General Advice

This document is not intended to contain financial product advice. You should obtain your own financial product advice from an independent person who is licensed by the relevant securities regulator (e.g. the Australian Securities and Investments Commission or the Financial Markets Authority of New Zealand) to give such advice. Nothing in this guide should be taken to constitute a recommendation or statement of opinion that is intended to influence a person in making a decision to participate in the Plan or to give a recommendation or opinion in relation to acquiring or disposing of Shares.

This guide does not take into account the objectives, financial situation, financial goals or needs of any particular person.

If you are in any doubt as to how to deal with this document, please seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

10.3 Purpose and distribution of this guide

This guide provides information to employees of the Fletcher Building Group to make an assessment of whether or not to join the Plan. It has been prepared solely for that purpose and is not for distribution to any person who is not an employee of the Fletcher Building Group. If you have received an invitation to join FBuShare and are not an employee, any application to join the Plan will be invalid.

10.4 Plan Rules

This guide contains only a summary of the Plan and does not include the full Plan Rules. Employees are encouraged to read the Plan Rules in full. The Plan Rules and applicable law will prevail to the extent of any inconsistency with the information in this Information Guide.

The complete Plan Rules can be requested from your local People and Performance contact, accessed from **www.fbushare.com** or accessed through the Plan Administrator's website: **www.computershare.com/fbushare**. The Plan Rules will be available free of charge and provided within a reasonable time of a request being made.

10.5 Disclaimer

No person is authorised to give any information or make any representation in connection with the Plan which is not contained in this guide. Any information or representation not contained in this guide may not be relied upon as having been authorised by Fletcher Building or the Board.

10.6 Financial Services Guide

As the Plan Administrator may provide financial services in relation to the Plan, it may be required to give you a Financial Services Guide setting out the particulars relevant to those financial services. The Financial Services Guide can be provided to Fletcher Building as your agent to receive the Financial Services Guide in a manner agreed by the agent. If you participate in the Plan, you are deemed to appoint Fletcher Building as your agent to receive the Financial Services Guide (and any updates). The Financial Services Guide will be provided to Fletcher Building and posted on Fletcher Building's intranet site and the Plan Administrator's website: **www.computershare.com/fbushare**.

10.7 Disclosure for Australian Participants

As described in section 7.2 your Regular Payment will be held by your employer and remitted to the Plan Administrator (Computershare Plan Managers, Australia) on a monthly basis. While it is held by your employer, it will be deposited with Australia and New Zealand Banking Group Limited in a non-interest bearing account. When it is transferred to the Plan Administrator, it will be

deposited with HSBC Bank Australia Limited in a non-interest bearing account. The Plan Administrator will hold all contributions until used to acquire Shares. The Plan Administrator will acquire Shares in Fletcher Building on the ASX on behalf of all Australian Participants on a monthly basis using all contributions made in the immediately preceding month.

11. Tax Guide

A summary of the tax implications of becoming a Participant in each jurisdiction where an offer is made is set out in Appendix D.

Appendix A – Glossary of terms

Term	Description
A\$ or AUD	Australian dollars.
Additional Share	A Dividend Share and any Share issued to or acquired on behalf of a Participant as a result of a bonus issue, rights issue or other form of capital reorganisation involving the Company.
Annual Investment Amount	The amount a Participant chooses to contribute over a 12 month period.
ASX	Australian Securities Exchange.
Award Conditions	The conditions which a Participant must satisfy in order to be entitled to receive Award Shares under the Plan Rules, being: <ul style="list-style-type: none"> • The Participant must hold the Purchased Shares for the whole Qualification Period for those Purchased Shares; • The Participant must be an employee of the Fletcher Building Group at all times until and including the last day of the Qualification Period; and • Any other conditions determined by the Company and notified to the Participant from time to time.
Award Ratio	The ratio of Award Shares to Purchased Shares and Additional Shares applying from time to time, as determined by the Company.
Award Share	A free Share to which a Participant becomes entitled pursuant to the Plan Rules upon satisfaction of the Award Conditions.
Board	The Board of Fletcher Building, Directors of Fletcher Building or a committee appointed by that board.
Dividend Programme	The arrangement established by the Company whereby, at the Company's election, dividends accruing in respect of Shares held in the Plan will be reinvested in acquiring additional Shares.
Dividend Share	A Share acquired by or on behalf of a Participant pursuant to the Dividend Programme in respect of Purchased Shares or Additional Shares held in the Plan.
FBuShare or Plan	The employee share plan established by Fletcher Building pursuant to the Plan Rules, and described in this guide.
Fletcher Building or Company	Fletcher Building Limited, NZ Company No. 1104175 and ARBN 096 046 936.
Fletcher Building Employee Share Plan Centre	A dedicated website for employees applying for, and participating in, the Plan, being www.computershare.com/fbushare .

Fletcher Building Group or Group or Group Company	The group of companies comprising: <ul style="list-style-type: none"> • Fletcher Building. • Any wholly-owned subsidiary of the Company. • Any other subsidiary of the Company which the Company has determined to be a Group Company for the purposes of the Plan Rules. • Any other company or entity determined by the Board to be a Group Company for the purposes of the Plan Rules.
March 2019 Plan Window	The period from 1 March 2019 until 11:59pm on 25 March 2019, during which eligible employees (which are described in section 3) can elect to join FBuShare and Participants in FBuShare can elect to withdraw from FBuShare, suspend their investment or change their Annual Investment Amount.
Maximum Investment Amount	The maximum amount that a Participant may choose to invest in the Plan as their Annual Investment Amount.
Minimum Investment Amount	The minimum amount that a Participant may choose to invest in the Plan as their Annual Investment Amount.
NZ\$ or NZD	New Zealand dollars.
NZSX	The main board equity security market operated by NZX Limited.
Participant	An eligible employee whose application to acquire Purchased Shares and participate in the Plan has been accepted by the Company.
Phantom Additional Share	A phantom dividend share and phantom additional share granted to a Participant.
Phantom Award Share	An award granted as a proxy for Award Shares.
Phantom Plan	A plan for employees in jurisdictions where it is not possible or practical to offer shares under which Participants may acquire Phantom Purchased Shares and Phantom Additional Shares and be entitled to Phantom Award Shares.
Phantom Purchased Share	An interest acquired as a proxy for Purchased Shares, but excludes a Phantom Award Share and Phantom Additional Share.
Phantom Share	A Phantom Purchased Share, a Phantom Additional Share and a Phantom Award Share.
Plan Administrator	The person or organisation identified in the Plan documents as having responsibility for administration of the Plan.
Plan Rules	The rules of FBuShare dated 15 February 2011, which set out the terms and conditions upon which you may participate in the Plan, as amended from time to time.
Plan Window	The period specified by the Company during which eligible employees can elect to join FBuShare, and Participants can elect to withdraw from FBuShare, suspend their investment or change their Annual Investment Amount, which period will be during the month of March each year, or such other period as the Company may determine.
Plan Year	The 12-month period commencing on 1 April and ending on 31 March.

Purchased Share	A Share purchased and held by or on behalf of a Participant under the Plan, but excludes an Award Share and an Additional Share.
Qualification Period	A period ending on the third anniversary of the commencement of the Plan Year during which the Purchased Shares or Phantom Purchased Shares were acquired under the Plan.
Regular Payment	The amount deducted from a Participant's after-tax payment, being the Annual Investment Amount divided by the number of after-tax payments the Participant will receive in the relevant Plan Year.
Share	A fully paid ordinary share in the capital of Fletcher Building. Purchased Shares, Additional Shares and Award Shares are fully paid ordinary shares.
Share Plan	The Plan described in this Guide and the Plan Rules which involves the acquisition of Shares.
Shareholding	The number of Shares held in Fletcher Building at any time.

Appendix B People and Performance contact details

In the following tables are relevant People and Performance contact details for assistance with making your application or if you have any questions regarding the Plan.

Division	Business or company	People and Performance contact	Phone number
Building Products	Building Products (Division)	Brendon Mills	+64 27 289 4554
	Laminex NZ	Digna Toresen	+64 27 602 4010
	Humes Pipeline Systems	Helen Reeves	+64 22 314 3598
	Iplex NZ	Emma Waters	+64 27 405 0348
	Winstone Wallboards & Tasman Insulation	Suliana Mailangi	+64 27 235 6109
Distribution	Distribution (Divison)	Gemma Gloyne	+64 21 234 5205
	Forman Building Systems	Barbi Harrison	+64 21 77 5719
	Mico		
	• Region 1 and 2	Ella Bright-Young	+64 27 549 8425
	• Region 3, 4 and National Office	Barbi Harrison	+64 21 77 5719
	Placemakers		
	• Lower South	Rebecca McDonald	+64 21 50 0353
	• Auckland	Jo Denby	+64 21 35 5509
	• Upper North	Adi Warren	+64 27 489 5988
	• Central	Helen O'connor	+64 27 807 6393
• National Office	Jordan Young	+64 27 586 0593	
Steel	Easysteel, Fletcher Reinforcing, Pacific Coil Coaters, Dimond Roofing, Dimond Structural, Fletcher Wire Products	Suzaan van Sittert	+64 27 603 6182
		Kelly Grace	+64 21 45 7760
Concrete	Concrete (Division)	Natasha Dunbier	+64 21 310 367
	Golden Bay Cement	Arlene Price	+64 27 203 9709
	Firth Industries	Bronwen Davies	+64 27 707 9214
	Winstone Aggregates	Heather Hay	+64 27 442 8544

Division	Business or company	People and Performance contact	Phone number
Residential & Development	Fletcher Living	Fiona MacKenzie	+64 27 801 2021
Construction	Construction (Division)	Vikki Spencer	+64 27 299 4593
	Building & Interiors	Kim Hancy	+64 21 0287 2460
	Higgins	Tracey McMillan	+64 22 527 5016
	Infrastructure	Natalie Mills	+64 27 622 0736
	Brian Perry Civil	Frankie Ifrah	+64 27 563 0367
	South Pacific	Scott MacMorland	+64 27 886 4749
Australia	Australia (Division)	Peter Roche	+61 438 016 148
	Fletcher Insulation	Emma Whalan	+61 2 9677 4443
	Iplex Pipelines & Rocla Pipeline Products	Katie Jackson	+61 427 906 474
	Stramit Building Products	Kylie Henningsen	+61 498 884 004
	Tradelink & Tasman Sinkware	Katherine Barrack	+61 400 810 991
	Laminex Australia	Peter Roche	+61 438 016 148
	• Doncaster Office	Kat Assirvaden	+61 3 9840 4305
	• National Supply Chain	Nikki Tierney	+61 3 9840 3430
	• National Operations (Ballarat Plants)	Kate Harrap	+61 3 9840 3482
	• Dardanup Plant	Karen Morgan	+61 4 3460 5555
	• Cheltenham Plant	Wayne Braybrook	+61 3 9840 4309
	• National Sales & Marketing	Johnny Koutrigaros	+61 409 316 872
• Gympie Plant	Sheree Stockden	+61 7 5480 0908	
Corporate		Brendon Mills	+64 27 289 4554
	People and Performance, Legal, Finance & EHS	Michelle Higgins	+64 9 571 8152
		Renuka Patel	+64 27 275 1519
		Group Technology	Danielle Tait

Construction South Pacific business units

Business	People and Performance contact	Phone number
Regional contacts	Scott MacMorland	+64 27 886 4749
	Hollie Purdy	+64 21 243 3287
American Samoa	Dean Hudson	+1 684 699 4323
Fiji	John Matthews	+679 336 1071
Papua New Guinea	Peter Moore	+675 325 3144
Samoa	Craig Kyle	+64 21 31 3349
Solomon Islands	Craig Wrigglesworth	+677 749 5003
Tonga	Josh Collins	+676 786 3125
Vanuatu	Tony Care	+678 774 3439

Appendix C – Maximum and minimum investment amounts

The Company has set the following Maximum and Minimum Investment Amounts:

Country	Currency	Exchange Rate ¹	Annual Investment Amounts		Maximum Investment Amount limits by salary payment frequency		
			Maximum Amount	Minimum Amount	Monthly	Fortnightly	Weekly
American Samoa	USD	0.6800	3,400	170	283.33	130.77	65.38
Australia	AUD	0.9452	4,726	236	393.83	181.77	90.88
Fiji	FJD	1.4392	7,196	359	599.67	276.77	138.38
New Zealand	NZD	1.0000	5,000	250	416.67	192.31	96.15
Papua New Guinea	PGK	2.2900	11,450	572	954.17	440.38	220.19
Samoa	WST	1.7688	8,844	442	737.00	340.15	170.08
Solomon Islands	SBD	5.4214	27,107	1,355	2,258.92	1,042.58	521.29
Tonga	TOP	1.5274	7,637	381	636.42	293.73	146.87
Vanuatu	VUV	76.8104	384,052	19,202	32,004.33	14,771.23	7,385.62

¹ Local currency to NZD exchange rates were provided by Fletcher Building Treasury for week ending 18 January 2019.

Appendix D – Taxation summary

Provided below is a summary of the employer and employee tax implications of the FBuShare Plan for each jurisdiction where offers are made:

Participant tax implications						Fletcher Building tax implications		
Country	Purchased Shares taxable at purchase	Award Shares taxable	Dividend shares taxable	Gains on sale of shares taxable	Social taxes payable	With-holding required	Reporting required	Social taxes payable
American Samoa	No ¹	At vesting	Yes	Yes	Yes ²	Yes	Yes	Yes
Australia	No ³	At vesting ⁴	Yes	Yes	No ⁵	No ⁶	Yes	Yes ⁷
Fiji (Phantom Plan)⁸	No	At vesting ⁹	Yes ¹⁰	No ¹¹	No	Yes ¹²	Yes	Yes
New Zealand¹³	No	At vesting ¹⁴	Yes	No ¹⁵	No	No ¹⁶	Yes	No
Papua New Guinea	No ¹⁷	At vesting ¹⁸	Yes	No ¹⁹	No ²⁰	Yes	Yes	No
Samoa	No ²¹	At vesting	Yes	Yes ²²	Yes	Yes	Yes	Yes
Solomon Islands	No ²³	At vesting	Yes	No	No	Yes	Yes	No
Tonga (Phantom Plan)	No	At vesting	Yes	No ²⁴	No	Yes	Yes	No
Vanuatu²⁵	No ²⁶	No ²⁷	No	No	No	No	No	No

- ¹ American Samoa: Where the employee is an Australian tax resident and GST is payable on the brokerage fees, the GST is at the employee's expense.
- ² American Samoa: The social security tax rate for employees is 6.2% on income up to US\$ 128,400 for 2018, and up to US\$ 132,900 for 2019. The Social Security Administration adjusts this income base each year based on changes to the cost of living.
- ³ Australia: Where the employee is an Australian tax resident and GST is payable on the brokerage fees, the GST is at the employee's expense.
- ⁴ Australia: Award Shares should not be taxable until vesting on the basis a real risk of forfeiture applies to Rights (i.e., subject to certain "good" leaver provisions, participants forfeit their Rights to Award Shares if they cease employment before the end of the qualification period) and that the participant does not (together with his or her associates) hold more than 10% of the Company's issued share capital (inclusive of any unexercised Rights and options).
- ⁵ Australia: No social taxes are payable in Australia, however marginal income tax rates include the 2% Medicare levy. An additional Medicare Levy Surcharge of up to 1.5% may also apply where the employee (and their dependents) does not have the appropriate private hospital cover.
- ⁶ Australia: Fletcher Building will not be required to withhold tax on Award Shares provided the employee has provided the employer with their Tax File Number (TFN) or Australian Business Number (ABN).
- ⁷ Australia: No employer social taxes are payable but payroll tax is payable at various rates in all States and Territories on the Award Shares. Employer superannuation contributions do not apply to share-settled awards.
- ⁸ Fiji: Due to local laws and/or exchange control provisions, only the Phantom Plan (cash based) is offered to employees in Fiji (i.e., Phantom Purchased Shares, Phantom Award Shares and Phantom Dividend Shares).
- ⁹ Fiji: The cash payment received by the participant that is an award of Phantom Shares at the end of the qualification period is taxable income of that person at the point of vesting (the time the employee receives the cash payment).
- ¹⁰ Fiji: Income tax is applicable on allocation of Phantom Dividend Shares and taxed at the employee's marginal tax rate (up to a maximum of 20%).
- ¹¹ Fiji: As the Phantom Award Shares are a cash payment, and there is no gain made on the holding of cash, the value of the Phantom Award Shares is not subject to capital gains tax.
- ¹² Fiji: PAYE tax withholding is required on the amount subject to tax at allocation of Phantom Dividend Shares and at redemption of the Phantom Award Shares. PAYE withholding will also be required if the employee is subject to the Social Responsibility Tax. There is no withholding obligation for Phantom Purchased Shares.
- ¹³ New Zealand: New tax legislation allows the employer to claim a tax deduction equal to the income derived by an employee under an employee share scheme.
- ¹⁴ New Zealand: Award Shares will be taxable when the employee receives full beneficial rights (i.e., employees are entitled to voting and dividend rights on their Shares). This is generally when Rights to Award Shares vest and Shares are allocated.
- ¹⁵ New Zealand: There is generally no tax on capital gains arising from the sale of Shares provided the purpose of acquiring Shares is an investment, and is not for the purpose of future sale or disposition. Tax on gains realised on sale is applicable if Shares are acquired with the purpose of resale or as part of a profit making scheme, or share dealing.
- ¹⁶ New Zealand: In respect of Award Shares, Fletcher Building has discretion to decide whether it wishes to withhold PAYE in respect of Award Shares that vest after 1 April 2017. This decision applies to participants in the plan on an employee by employee basis. In the event that Fletcher Building were to decide to withhold PAYE, the amount to be included in the employee's gross earnings would be the market value of the Award Shares on the vesting date (along with any taxes paid by the Company on the employee's behalf).
- ¹⁷ PNG: Where the employee is an Australian tax resident and GST is payable on the brokerage fees, the GST is at the employee's expense.
- ¹⁸ PNG: There are no specific tax rules governing the tax treatment of employee equity awards in PNG. Accordingly, there remains a technical risk that the taxing event for Award Shares could occur at the time of grant under the general rules that apply to employee remuneration.
- ¹⁹ PNG: No capital gains tax in PNG unless the Shares are acquired with a profit making intention, then the gain will be taxed as ordinary income of the employee.
- ²⁰ PNG: Authorised Superannuation fund employer contribution is only required on cash remuneration, not total taxable income.
- ²¹ Samoa: Where the employee is an Australian tax resident and GST is payable on the brokerage fees, the GST is at the employee's expense.
- ²² Samoa: Effective 1 July 2018, gains realised on the sale of shares are subject to capital gains tax at rate of 27% where the sale takes place within 12 months of the acquisition of the shares. Where the sale occurs more than 12 months after the acquisition of the shares, any gain is subject to capital gains tax at a rate of 10%.
- ²³ Solomon Islands: Where the employee is an Australian tax resident and GST is payable on the brokerage fees, the GST is at the employee's expense.
- ²⁴ Tonga: The gain on sale of shares is not taxable unless the employee is in the business of trading shares.
- ²⁵ Vanuatu: It may be argued that Fletcher Building is carrying on a business of dealing in securities by offering the Shares under the Plan to the relevant employees, however we believe this is not the case. Fletcher Building may wish to seek confirmation from the Financial Services Commission that a license is not required for the Plan.
- ²⁶ Vanuatu: Where the employee is an Australian tax resident and GST is payable on the brokerage fees, the GST is at the employee's expense.
- ²⁷ Vanuatu: The Vanuatu Government was considering a proposal to introduce personal and business income tax in 2018. However, this has been put on hold and according to our understanding, the matter will be reviewed again in 2020.