

Share Time



Your company. Your share.

Questions and Answers Vesting
April 2019



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These questions and answers have been prepared as a quick reference guide for FBuShare vesting. They do not purport to provide a comprehensive description of FBuShare and are not a substitute for the Information Guide (which contains a detailed description of the plan). Employees are strongly recommended to read the FBuShare Information Guide and FBuShare Offer Questions and Answers. These questions and answers do not constitute financial product advice or any recommendation as to whether employees should join FBuShare or continue contributing to FBuShare. Employees should obtain independent investment, financial, taxation and/or other professional advice before deciding whether or not to join FBuShare or continue contributing to FBuShare.

1. Introducing FBuShare vesting

1.1 What is FBuShare vesting?

FBuShare vesting is the allocation of Award Shares or Phantom Award Shares at no further cost at the end of the qualification period in relation to Purchased Shares and Dividend Shares acquired during the first year of the qualification period, provided you fulfil the award conditions.

1.2 When will vesting happen?

1 April 2019.

1.3 What happens on 1 April 2019 for FBuShare participants?

Your 2016 Award Shares will be allocated to you based on the number of Purchased Shares and Dividend Shares acquired in the 2016 plan year and held on your behalf in the FBuShare. Please refer to Allocation of Award Shares section for more information.

In some countries the Plan Administrator will manage the sale of sufficient shares to cover any applicable withholding tax obligations. Please refer to the Tax on Award Shares section for a list of these countries.

1.4 What happens after 1 April 2019 for FBuShare participants?

Your Purchased, Dividend and Award Shares (less any withholding tax) will continue to be held under FBuShare.

However, you will be able to sell or transfer your shares at any time, subject to the operation of Fletcher Building's securities trading policy. Please refer to the Selling shares and Transferring shares sections for further information.

1.5 What happens at vesting for FBuShare phantom plan participants?

For participants in China, Fiji and Tonga, your Phantom Award Shares for 2016 plan year will be allocated to you on 1 April, 2019. As soon as practical after 1 April 2019 the value of all of the 2016 Phantom Purchased Shares, Phantom Dividend Shares and Phantom Award Shares will be paid to you through payroll. Please refer to the Phantom Plan valuation and pay-section for further information.

2. Allocation of Award Shares

2.1 When will the Award Shares be allocated?

1 April 2019.

2.2 Am I eligible for Award Shares?

You will be eligible for Award Shares if you participated in the 2016 plan year and still hold Purchased Shares and/ or Dividend Shares acquired in the 2016 plan year on 1 April 2019.

2.3 Do I have to apply to have my Award Shares allocated?

No, your Award Shares will be automatically allocated to you.

2.4 What shares are eligible for Award Shares?

You will receive Award Shares on Purchased Shares and Dividend Shares acquired during the 2016 plan year, provided you fulfil the award conditions.

2.5 How many Award Shares will I receive?

You will receive one Award Share for:

- Every two Purchased Shares acquired using your contributions made between 1 April 2016 and 31 March 2017 (and which you still hold), and
- Every two Dividend Shares received between 1 April 2016 and 31 March 2017 (and which you still hold).

2.6 Can I sell my shares acquired during the 2016 plan year on 1 April 2019 without affecting my entitlement to Award Shares?

Yes, the vesting date for the Award Shares is 1 April 2019, which means that any FBuShare 2016 Purchased Shares you sell on or after 1 April 2019 will not affect your Award Shares allocation. However, we recommend that you read the Selling shares section before deciding to sell shares.

3. Tax on Award Shares

3.1 Will I have tax to pay when my Award Shares are allocated on 1 April 2019?

Generally the value of Award Shares is considered taxable income. Tax guides for each country can be accessed from www.fbushare.com or once you login to your FBuShare portfolio.

3.2 How do I pay tax on Award Shares?

In some countries Fletcher Building has a mandatory legal obligation to collect this tax from you when the Award Shares are allocated. If you are located in one of the countries listed below, then sufficient shares will be withheld or sold from your Award Shares allocation in order to cover the tax obligation and the tax will be paid to the relevant taxing authority. Your remaining Award Shares will be placed in your FBuShare portfolio.

- | | |
|--------------------|----------------------------|
| • American Samoa | • Samoa |
| • Canada | • Solomon Islands |
| • Finland | • Spain |
| • Germany | • Thailand |
| • Malaysia | • United Kingdom |
| • Papua New Guinea | • United States of America |

In the countries set out below where Fletcher Building does not have a mandatory obligation to collect the tax, the value of Award Shares will generally be taxable and must be included in your individual tax return at the end of the tax year.

- Australia
- New Zealand
- Taiwan

In Vanuatu Fletcher Building does not have a mandatory obligation to collect the tax and the value of Award Shares is not taxable.

Please refer to the tax guides (as described above) for further information.

3.3 If I am located in a country that has mandatory withholding tax, can I pay my tax direct to the company instead of having shares sold to cover the liability?

No.

3.4 What tax rate will you apply when withholding the mandatory tax?

We will apply the tax rate for each individual as provided by your People and Performance contact and payroll.

3.5 Will I receive information about the vesting to assist me in preparing my income tax return?

Yes, a Vesting Notice will be sent to you on or before 30 April 2019 by email. A copy will also be available to view in your FBuShare portfolio; please go to employee online website www.computershare.com/fbushare. To access the site you will require your Securityholder Reference Number (SRN) and PIN. If you have forgotten your PIN please click on the “forgotten PIN” link and answer your security questions, a new PIN will be emailed to you.

You will also receive a written confirmation advising the number of shares withheld or sold to cover withholding tax and the share price used to cover the tax liability. As only whole numbers of shares can be sold to cover your tax liability, the amount collected from the sale may be slightly in excess of the tax due. This small excess amount will be added to your next purchase under FBuShare.

4. FBuShare portfolio

4.1 Will the shares be held in my name?

Shares acquired through FBuShare are registered in the name of a Computershare nominee company on the Fletcher Building share registry and held on your behalf.

Although the nominee is the legal owner of the shares, the nominee holds these shares on behalf of participants on the terms of the plan and can only act in accordance with the directions of participants in relation to these shares. The terms and conditions of the Fletcher Building nominee service are available online at www.computershare.com/fbushare.

4.2 Can I keep my shares under FBuShare after the vesting?

You can choose to keep your shares under FBuShare for as long as you remain employed by the Fletcher Building group. If you cease to be a contributing member of FBuShare, the company may require you to sell or transfer all your available shares from FBuShare.

Keeping your shares in the FBuShare portfolio has the following potential benefits:

- Your dividends are able to be distributed to you as Dividend Shares rather than paid in the currency determined by the Company’s dividend policy.
- You can instruct the Plan Administrator to sell the FBuShare 2016 Purchased Shares, Dividend Shares and Award Shares for you (subject to the operation of Fletcher Building’s securities trading policy), meaning that you do not need to make arrangements with a broker to sell the shares for you. This can be a particular benefit in countries where brokers do not habitually trade in shares on the New Zealand or Australian stock exchanges.

4.3 What shareholder rights do I have when my shares are held in my FBuShare portfolio?

Shares that you hold in the plan (Purchased, Dividend and Award Shares) will give you the right to vote on shareholder resolutions, and you will also be entitled to any dividends declared by Fletcher Building (see question 4.4 below).

Award Shares will carry the same rights as Purchased Shares after the allocation date.

This does not apply to participants in the Phantom Plan, the terms of which are described in the Phantom Plan valuation and pay-section.

4.4 Will I be entitled to receive dividends?

Yes. However, any dividends received on your shares in your FBuShare portfolio will be invested in acquiring further Fletcher Building shares, called **Dividend Shares**. Dividend Shares will be eligible for Award Shares. Any dividend monies left over after buying whole numbers of Dividend Shares will be added to your contributions for the next FBuShare purchase.

4.5 Can I participate in Fletcher Building's dividend reinvestment plan?

No. However, any dividends received on shares that you hold in the plan will be invested in Dividend Shares, which will be held in the plan and will also be eligible for Award Shares.

If you elect to transfer your shares out of the FBUShare portfolio into your own name, then you can elect to participate in Fletcher Building's dividend reinvestment plan.

5. Selling shares

5.1 Do I have to sell my shares by a specific date?

No. The FBUShare portfolio section has more information about keeping shares in FBUShare.

However, when you cease to be employed by the Fletcher Building group you will no longer be permitted to remain in FBUShare. You will have two months from the date of the leaver letter you receive to transfer and/or sell your shares. After this time, your shares will be sold and the net proceeds will be sent to you.

5.2 Can I sell my Award Shares once they have been allocated to me?

Yes, (subject to Fletcher Building's securities trading policy). The first date that you will be able to sell your Award Shares will depend on whether Fletcher Building needs to sell any shares to settle withholding taxes on your behalf (as described in the Tax on Award Shares section of this document).

5.3 When can I sell my FBUShare 2016 Purchased, Dividend and Award Shares?

You will be able to sell your FBUShare 2016 Purchased, Dividend and/or Award Shares after Award Shares have vested and any shares have been sold to settle withholding taxes as required, which is expected to be around 8 April 2019.

As described in the Information Guide, you can sell your 2016 Purchased and Dividend Shares at any time, but if you do so before 1 April 2019 you will lose your entitlement to Award Shares on those shares that you sell.

5.4 Will Fletcher Building's securities trading policy affect me?

Yes, it can affect you as any sale of shares must be made in compliance with insider trading laws and

Fletcher Building's securities trading policy. However, most employees are not determined to be "insiders". If you are an insider you will have received formal notification of this from the Company. Under Fletcher Building's securities trading policy, all insiders must receive consent prior to dealing in Fletcher Building securities.

5.5 How can I sell my shares?

Shares held under FBUShare (including Purchased Shares, Dividend Shares and Award Shares) can be sold through the Computershare online sale facility.

Use the following steps to sell shares:

- Go to **www.fbushare.com**.
- Click on the 'Access your portfolio' button.
- Enter your Securityholder Reference Number (SRN) and Personal Identification Number (PIN).
- Select 'Transact' tab and follow the online instructions to sell your shares once you log in to your portfolio.

5.6 I do not have access to a computer. How can I sell my shares?

If you don't have access to a computer, then you can complete an FBUShare Sale Form and send it to Computershare Plan Managers by:

- Posting to GPO Box 658, Melbourne VIC 3001, Australia; or
- Scanned email to **fbushare@computershare.com.au**.

To request a copy of the form you should contact your People and Performance contact or refer to the personal details section for Computershare's contact details.

5.7 Will there be any costs of sale?

Yes, the Plan Administrator will charge you a fee to sell shares that is dependent on the nature and value of the transaction and your location. A summary of the sales fees are listed in the tables below. Please note that manual or paper transactions are more expensive than online transactions.

Generally, you will also incur bank fees to process your sale proceeds. A list of these bank fees has been provided in section 5.9 below.

5.7.1 Australian domiciled participants

The sales fees for Australian participants in the table below include GST.

Sale type	Transaction fee	Brokerage fee
Online	AUD \$49.50	Plus 0.33% of the share sale proceeds in excess of AUD \$5,000
Manual (paper form)	AUD \$110.00	

5.7.2 New Zealand domiciled participants

The sales fees for New Zealand participants in the table below exclude GST.

Sale type	Transaction fee	Brokerage fee
Online	NZD \$45.00	Plus 0.3% of the share sale proceeds in excess of NZD \$5,000
Manual (paper form)	NZD \$100.00	

5.7.3 Participants in other countries

The sales fees for participants in other countries in the table below exclude GST.

Sale type	Transaction fee	Brokerage fee
Online	AUD \$45.00	Plus 0.3% of the share sale proceeds in excess of AUD \$5,000
Manual (paper form)	AUD \$100.00	

5.8 What notification will I receive confirming the sale of my shares has taken place?

You will receive a transaction notice once the sale of shares has been settled, (by email if Computershare Plan Managers has your email details or in hard copy if not).

5.9 How will any sale proceeds be paid?

You can elect how you wish to receive your sale proceeds. Please note that cheques are more expensive than electronic bank transactions. The payment options available are:

Receipt of funds by	Bank fee
Australian direct credit	AUD \$0.00
Australian cheque	AUD \$15.00
New Zealand direct credit	NZD \$0.50
New Zealand cheque	NZD \$15.00
Foreign currency wire	AUD \$15.00
Foreign currency cheque	AUD \$40.00

5.10 How long will it take for me to receive sale proceeds?

You should receive your sale proceeds into your nominated bank account within approximately one week of the trade settlement date. Cheques will take longer depending on the postal system.

5.11 Can Computershare pay sale proceeds in any currency?

Sale proceeds are paid in the currency of the country where FBuShare is offered and where you reside.

5.12 Will I have tax to pay on my share sale?

This will depend on where you are located. Tax guides for each country can be accessed from www.fbushare.com or once you log in to your portfolio.

6. Transferring shares

6.1 Why would I transfer my shares?

Transferring your shares out of your FBuShare portfolio and into your own name as an ordinary shareholder on the Fletcher Building Limited register enables you to transfer them to other holders (e.g. your spouse or into a trust) or to transfer them to your own broker account.

6.2 Do I have to transfer my shares by a specific date?

No. The FBuShare portfolio section has more information about keeping shares in FBuShare.

However, when you cease to be employed by the Fletcher Building group you will no longer be permitted to remain in FBuShare. You will have two months from the date of the leaver letter you receive to transfer or sell your shares. After this time, your shares will be sold and the net proceeds will be sent to you.

6.3 Can I transfer my Award Shares once they have been allocated to me?

Yes, (subject to Fletcher Building’s securities trading policy). The first date that you will be able to transfer your Award Shares will depend on whether Fletcher Building needs to sell any shares to settle withholding taxes on your behalf (as described in the Tax on Award Shares section of this document).

6.4 When can I transfer my FBuShare 2016 Purchased, Dividend and Award Shares?

You will be able to transfer your FBuShare 2016 Purchased, Dividend and/or Award Shares after all Award Shares have been allocated and any shares have been sold to settle withholding tax as required, which is expected to be around 8 April 2019.

As described in the Information Guide, you can transfer your 2016 Purchased and Dividend Shares at any time, but if you do so before 1 April 2019 you will lose your entitlement to Award Shares on those shares that you transfer.

6.5 Will Fletcher Building’s securities trading policy affect me?

Yes, it can affect you as any transfer of shares must be made in compliance with insider trading laws and Fletcher Building’s securities trading policy. However, most employees are not determined to be “insiders”.

If you are an insider you will have received formal notification of this from the Company. Under Fletcher Building’s securities trading policy, all insiders must receive consent prior to dealing in Fletcher Building securities.

6.6 How can I transfer my shares?

Shares held in your FBuShare portfolio (including Purchased Shares and Award Shares) can be transferred through the online share transfer facility on your portfolio.

Use the following steps to transfer shares:

- Go to **www.fbushare.com**.
- Click on the ‘Access your portfolio’ button.
- Enter your Securityholder Reference Number (SRN) and Personal Identification Number (PIN).
- Select the ‘Transact’ tab and follow the online instructions to transfer your shares once you login to your portfolio.

6.7 I do not have access to a computer. How can I transfer my shares?

If you don’t have access to a computer, then you can complete an FBuShare Transfer Form and send it to Computershare Plan Managers by:

- Posting to GPO Box 658, Melbourne VIC 3001, Australia; or
- Scanned email to **fbushare@computershare.com.au**.

To request a copy of the form you should contact your People and Performance contact or refer to Further information and updating personal details section for Computershare’s contact details.

6.8 Will there be any costs to transfer shares?

Yes, the Plan Administrator will charge you a fee to transfer shares into your own name that is dependent on the nature of the transaction and your location. A summary of the transfer fees are listed in the tables below. Please note that manual or paper transactions are more expensive than online transactions.

6.8.1 Australian domiciled participants

The transfer fees for Australian participants in the table below include GST.

Transfer type	Transaction fee
Online	AUD \$55.00
Manual (paper form)	AUD \$88.00

6.8.2 New Zealand domiciled participants

The transfer fees for New Zealand participants in the table below exclude GST.

Transfer type	Transaction fee
Online	AUD \$50.00
Manual (paper form)	NZD \$80.00

6.8.3 Participants in other countries

The transfer fees for participants in other countries in the table below exclude GST.

Transfer type	Transaction fee
Online	AUD \$50.00
Manual (paper form)	AUD \$80.00

6.9 Can I arrange for my 2016 Purchased Shares and Award Shares to be transferred online to my ordinary shares portfolio?

Yes, share transfers can be completed online. Please refer to the explanation provided earlier in this section.

6.10 Can I arrange for my 2016 Purchased Shares and Award Shares to be transferred online to my broker account?

No, you need to transfer the shares into your own name first. Once the transfer has been completed, then you will need to contact your broker to transfer your shares to your broker’s account.

7. Phantom Plan valuation and pay-out

7.1 Am I eligible for Phantom shares pay-out?

You will be eligible for Phantom shares pay-out if you are domiciled in China, Fiji or Tonga and participated in FBuShare 2016 Plan year and still hold Phantom Purchased Shares which were acquired during the 2016 plan year on 1 April 2019.

7.2 When will the Phantom Award Shares be allocated?

1 April 2019.

7.3 Do I have to apply to have my Phantom Award Shares allocated or paid out?

No, your 2016 Phantom Award Shares will be automatically allocated, and the value of all of the 2016 Phantom Purchased Shares, Phantom Dividend Shares and Phantom Award Shares will automatically be paid to you through payroll after 1 April 2019.

7.4 What shares are eligible for Phantom Award Shares?

You will receive Phantom Award Shares on any Phantom Purchased Shares acquired during the period 1 April 2016 and 31 March 2017, as well as any Phantom Dividend Shares acquired during this period. You must still be holding some or all of these FBuShare 2016 Phantom Purchased and Dividend Shares on 1 April 2019 to receive any Phantom Award Shares.

7.5 How many Phantom Award Shares will I receive?

You will receive one Phantom Award Share for:

- Every two Phantom Purchased Shares acquired using your FBuShare contributions made between 1 April 2016 and 31 March 2017 (and which you still hold), and
- Every two Phantom Dividend Shares received between 1 April 2016 and 31 March 2017 (and which you still hold).

7.6 Can I cash out my 2016 Phantom Purchased Shares on 1 April 2019 without affecting my future entitlement to Phantom Award Shares?

Yes, you will automatically be paid the cash value of your FBuShare 2016 Phantom Purchased and Dividend Shares through payroll as soon as practical after 1 April 2019.

7.7 What happens after 1 April 2019?

As soon as practical after the Phantom Award Share allocation, the value of all of the 2016 Phantom Purchased, Dividend and Award Shares will be calculated, advised to your People and Performance team, and paid to you in cash (after tax has been deducted) through your payroll.

7.8 How will my cash payment be calculated (i.e. how are the 2016 Phantom Purchased and Phantom Award Shares valued)?

The cash payment will be calculated by multiplying the total number of 2016 Phantom Purchased, Dividend and Award Shares by Fletcher Building’s share price as quoted on the Australian Securities Exchange (ASX) on or immediately prior to 1 April 2019.

The cash amount will be paid in your current salary currency via your payroll. All amounts will be converted from Australian Dollars using the Fletcher Building Treasury exchange rates on or immediately prior to 1 April 2019.

7.9 Will my FBuShare 2016 pay-out be taxed?

Yes, the cash payment for all your 2016 Phantom Purchased, Dividend and Award Shares less FBuShare 2016 contributions (i.e. FBuShare contributions between 1 April 2016 and 31 March 2017) is ordinary income and normal payroll tax deductions will apply at the time of payment. Your payroll will deduct the tax before making the payment to you.

8. Further information and updating personal details

8.1 How can I obtain further information or request documentation to be sent to me?

If you have any questions regarding FBuShare, please:

- Refer to information on **www.fbushare.com**.
- 'Ask Penny' a question at **www.computershare.com/fbushare**.
- Email Computershare Plan Managers at **FBuShare@computershare.com.au**.
- Telephone Computershare Plan Managers in New Zealand 0800 451 541, Australia 1800 008 188 or international +613 9415 4353 (international call rates apply).

8.2 How do I update my personal contact details?

Use the following steps to update your contact information:

- Type **www.fbushare.com** into your web browser.
- Click on the 'Access your portfolio' button.
- Enter your Securityholder Reference Number (SRN) and Personal Identification Number (PIN).
- Select 'My Details' tab and then select the relevant heading.

Note: If you are leaving the Fletcher Building group, please remember to update your contact details (address and email) on your portfolio (**www.fbushare.com**).