

FBuShare

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Plan Examples Australia



Australian employee participation example

1.1 Assumptions

The following assumptions apply to the examples in this document:

- The employee is located in Australia.
- For the purposes of this example we have used the Plan Year, which is April to March.
- The employee chooses an Annual Investment Amount of A\$2,700.
- The employee is paid monthly, so over a 12-month period each Regular Payment is A\$225 per month, deducted from the employee's after-tax pay.
- The Award Ratio is 1:2, being one Award Share for every two Purchased Shares or Additional Shares

acquired in the first year of the Qualification Period and still held at the end of such period.

- The interim dividend rate is 9.9210 cents (A\$) per share.
- The final dividend rate is 13.4045 cents (A\$) per share.
- Any Shares acquired in years two and three of the Qualification Period have been ignored for the purposes of this example.

1.2 What will be the investment each month?

In the table below you will see that while the employee's Regular Payment remains the same, the number of Shares purchased varies because of changes in the Fletcher Building Share price.

Regular Payment made in	Regular Payment (A\$)	Dividend (A\$)	Available funds (A\$)	Share price (including brokerage) (A\$)	Number of Purchased / Additional Shares acquired	Balance (A\$)
April	225.00		225.00	5.17	43	2.69
May	225.00		227.69	5.05	45	0.44
June	225.00		225.44	4.95	45	2.69
July	225.00		227.69	5.10	44	3.29
August	225.00		228.29	5.27	43	1.68
September	225.00	29.49	256.17	5.42	47	1.43
October	225.00		226.43	5.09	44	2.47
November	225.00		227.47	4.86	46	3.91
December	225.00		228.91	4.70	48	3.31
January	225.00		228.31	4.94	46	1.07
February	225.00		226.07	5.09	44	2.11
March	225.00	49.11	276.22	4.90	56	1.82
	\$2,700.00	\$78.60			551	

After 12 months, the employee has invested A\$2,778.60 (including A\$78.60 in dividends) and acquired 551 Purchased Shares with A\$1.82 in cash remaining held in the Plan.

1.3 What will be the value of my Shareholding at the end of the Qualification Period?

There are many possible scenarios for your Shareholding at the end of the Qualification Period, depending on the

Fletcher Building Share price and how many Shares you have retained. Some examples are set out in the table below utilising the above assumptions, although they do not take any taxation consequences into consideration.

Examples of employee holdings under the Plan	Employee 1	Employee 2	Employee 3	Employee 4
Investment (A\$)	\$2,779	\$2,779	\$2,779	\$2,779
Number of Purchased and Additional Shares acquired in first year	551	551	551	551
Number of those Purchased Shares sold by employee during Qualification Period	0	0	250	100
Number of Award Shares available at end of Qualification Period in respect of first year's investment	275	275	150	225
Total Shares	826	826	451	676
Assumed Share Price (A\$)	5.00	6.00	6.00	6.00
Estimated A\$ value of Shareholding	\$4,130	\$4,956	\$2,706	\$4,056

All figures used in the table above are examples only – Fletcher Building's Share price will affect both the number of Shares purchased and the value of the Shareholding.

Looking at the above table:

(a) Employee 1

Employee 1 contributes A\$2,700 and receives A\$78.60 in dividends and does not sell any of the 551 Purchased and Additional Shares acquired during the first year of the Qualification Period. Because the employee is still employed by the Fletcher Building Group at the end of the three year Qualification Period and still holds all of the Shares acquired over the initial Plan Year, the employee will receive 275 Award Shares at the end of the three year Qualification Period. This leaves the employee holding 826 Fletcher Building Shares, valued at A\$4,130 (based on a Share price of A\$5.00) at the end of the Qualification Period.

(b) Employee 2

The example using employee 2 shows that if the Fletcher Building Share price is higher, the overall value of an employee's Shareholding will be greater. Similarly, if the Share price goes down, the overall value of an employee's Shareholding will decrease.

(c) Employee 3

During the Qualification Period, employee 3 sells 250 of the Purchased and Additional Shares acquired during the first year of the Qualification Period. The employee loses the right to receive Award Shares for the Shares sold during the Qualification Period and will only receive Award Shares on the net balance of 301 Purchased Shares and Additional Shares that remain at the end of the three year Qualification Period. This leaves the employee holding 451 Fletcher Building Shares, valued at A\$2,706 (based on a Share price of A\$6.00) at the end of the three year Qualification Period.

(d) Employee 4

During the Qualification Period, employee 4 sells 100 of the Purchased and Additional Shares acquired during the first year of the Qualification Period. The employee loses the right to receive Award Shares for the Shares sold during the Qualification Period and will only receive Award Shares on the net balance of 451 Purchased Shares and Additional Shares that remain at the end of the three year Qualification Period. This leaves the employee holding 676 Fletcher Building Shares, valued at A\$4,056 (based on a Share price of A\$6.00) at the end of the three year Qualification Period.