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# Dividend Reinvestment Plan

*Offer Document*

Updated as at 1 May 2011

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# Contents

## Paragraph

1	Introduction
2	The Offer
3	Method of participation
4	Source of Additional Shares
5	Operation of the Plan
6	Additional Share entitlement
7	Statements to participants
8	No costs to participants
9	Variation or termination of participation
10	Reduction or termination of participation where no notice is given
11	Termination, suspension and modification of the Plan
12	Stock exchange listings
13	Information for Australian shareholders
14	Governing law
15	Available information



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**This is an Offer Document  
(complying with the Securities  
Act (Dividend Reinvestment)  
Exemption Notice 1998) in  
respect of shares offered under  
the Fletcher Building Dividend  
Reinvestment Plan (the “Plan”).**

Dear Shareholder

**Fletcher Building Limited Dividend Reinvestment Plan**

Fletcher Building Limited operates a dividend reinvestment plan under which shareholders may choose to reinvest all or part of their cash dividends in additional Fletcher Building shares.

Details of the Plan, including a summary of its key features, are set out in this Offer Document. A Participation Notice is included if you wish to participate in the Plan.

The Plan provides a convenient method for reinvesting all or part of your dividends in further Fletcher Building shares free of brokerage charges. In respect of future dividend payments, shares will be issued at the price determined under the Plan, unless the board determines otherwise.

If you require any further information, please contact me at the address above, or Computershare Investor Services at either of the addresses set out in paragraph 3 of the Offer Document, or consult your investment adviser.

Yours sincerely

**Martin C Farrell**  
Company Secretary

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# Key Features

## Shares instead of dividends

The Fletcher Building Dividend Reinvestment Plan (the Plan) provides you, as a holder of Fletcher Building Limited ordinary shares, with an opportunity to invest the net proceeds of the cash dividends payable on your shares in additional fully paid shares. This is a convenient method of increasing your investment by acquiring further shares free of brokerage charges. If you wish to continue to receive dividends declared by Fletcher Building in cash, you should not take up this offer.

## Eligibility

All holders of shares are eligible to participate in the Plan unless precluded by paragraphs 2(c) and 2(d). Participation is optional at the election of the shareholder in respect of all or some of your shares.

## Shares at market price

Under the Plan, the number of shares allocated in respect of a dividend payment will be determined by applying a formula which will mean that the shares will be allocated at the market price at the time specified in the formula, unless the Fletcher Building board determines otherwise.

## Shares rank equally and may be sold

Shares issued under the Plan will rank equally in all respects with existing shares and can be sold at any time.

## Flexible joining, variation and withdrawal arrangements

Holders of shares can join the Plan, vary their participation, or withdraw from the Plan at any time by forwarding a written notice to the share registrar, Computershare Investor Services Limited. The notice will be effective on the first dividend record date after the notice is received by the share registrar.

## Taxation

As at the date of this Offer Document for New Zealand income tax purposes, shareholders who reinvest the net proceeds of their cash dividends in the acquisition of further shares of the Company will be treated in the same way with respect to their dividends as if they had not reinvested. That is, prima facie, shareholders will continue to derive dividend income of the same amount they would have derived had they not participated in the Plan. This is also believed to be the outcome for shareholders resident in Australia and other countries.

This tax summary is, of necessity, general. It does not take account of the circumstances of individual shareholders and the specific tax consequences of your participation or non-participation in the Plan, which may vary considerably. Shareholders should not rely on this general summary but should seek their own tax advice. Fletcher Building does not accept any responsibility for the financial or taxation effects of a shareholder's participation or non-participation in the Plan.

## Details will be sent to you

If you elect to participate in the Plan, details of your total entitlement and the number of shares issued to you under the Plan will be sent to you after each dividend payment.

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## 1. Introduction

Pursuant to the constitution of Fletcher Building Limited (Fletcher Building) the board of directors (the board) has approved the adoption of the Fletcher Building Dividend Reinvestment Plan (the Plan). Under the Plan, holders of ordinary shares in Fletcher Building may elect to invest their dividends on all or any of their fully paid ordinary shares in Fletcher Building and receive fully paid ordinary shares in Fletcher Building (Additional Shares) instead. This document (the Offer Document) updated as at 1 May 2011 sets out the terms and conditions of the Plan.

## 2. The Offer

- (a) Subject to paragraphs 2(c) and 2(d), Fletcher Building offers to all shareholders the right to elect to participate in the Plan.
- (b) Shareholders may elect to participate in the Plan by exercising one of the following options:
  - (i) Full Participation  
If you elect full participation, participation in the Plan will apply to all shares registered in your name from time to time.
  - (ii) Partial Participation  
If you elect partial participation, only the number of shares nominated by you will be eligible for participation in the Plan. If you hold less than the nominated number of shares, then the Plan will apply to such lesser number of shares.
  - (iii) Non-Participation  
If you do not wish to participate and you wish to receive dividends or distributions in cash you are not required to do anything.
- (c) The Company may, in its absolute discretion, elect to not offer participation under the Plan to shareholders whose address is outside New Zealand or Australia if it considers that to do so would risk breaching the laws of places outside New Zealand or Australia.
- (d) Any shares over which Fletcher Building has a lien or charge in accordance with Fletcher Building's constitution or other requirements of law will not be eligible to participate in the Plan.

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## 3. Method of participation

- (a) To participate in the Plan you must complete the Participation Notice which accompanies this Offer Document in accordance with the instructions on that notice and send it to the Fletcher Building Limited Share Registrar:

### In New Zealand

Computershare Investor Services Limited

#### Postal address

Private Bag 92 119  
Victoria Street West  
Auckland 1142

#### Street address

Level 2, 159 Hurstmere Road  
Takapuna  
Auckland 0622

### In Australia

Computershare Investor Services Pty Limited

#### Postal address

GPO Box 2975, Melbourne, VIC 3001

#### Street address

Yarra Falls, 452 Johnston Street  
Abbotsford, VIC 3067

- (b) The record date for determining entitlements under the Plan is 5.00 pm on the date fixed by the board for determining entitlements to a dividend. Participation will be effective as to dividends payable in relation to the first record date after receipt by Fletcher Building of a properly completed Participation Notice.
- (c) If the Participation Notice does not indicate the degree of participation, it will be deemed to be an application for full participation if it is otherwise correctly completed and signed.
- (d) A Participation Notice will not attach to the shares in respect of which it has been given, but will be personal to the Shareholder giving it.
- (e) The number of shares advised by a shareholder as participating in the Plan by a validly completed Participation Notice shall constitute the Participating Shares.

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## 4. Source of Additional Shares

Additional Shares to be acquired by participants under the Plan may, at the board's discretion, be:

- (a) New shares issued by the Company.
- (b) Existing shares acquired by the Company or a nominee or agent of the Company.
- (c) Any combination of (a) and (b) above.

## 5. Operation of the Plan

- (a) Each participant in the Plan is deemed to have directed the Company to apply the cash dividend, if any, that is available for payment in respect of their Participating Shares at the record date as payment for the shares to be issued or transferred under the Plan. The number of such shares will be determined in accordance with paragraph 6 of this Offer Document.
- (b) The Company will, on the day that a participant would otherwise have been paid a cash dividend on Participating Shares of the Company, either issue new shares or arrange the transfer of existing shares to the participant.
- (c) Additional Shares acquired by the participant under the Plan will, from the date of allotment, rank equally in all respects with all other fully paid shares of the Company.
- (d) Additional Shares acquired by the participant under the Plan will be registered in the name of the participant on the register where the participant already holds shares in the Company.

## 6. Additional Share entitlement

- (a) The number of Additional Shares of the Company credited as fully paid to be acquired by a participant under the Plan will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{P}$$

Where:

- N** is the number of Additional Shares of the Company which will be acquired by a participant;
  - PS** is the number of Participating Shares in the Plan registered in the name of the participant at the record date;
  - D** is the net remittance, including any tax refunds and after deduction of any withholding taxes (expressed in cents and decimals of cents) per share of the Company, which would otherwise have been payable to the participant if a Participation Notice had not been given, or deemed to have been given, by the participant and includes any tax refunds payable to non-resident shareholders participating in the Plan; and
  - P** is the average of the individual daily volume weighted average sale prices (expressed in cents and decimals of cents), for the shares of the Company, calculated on all price-setting trades of Fletcher Building shares which take place through the equity securities market operated by NZX Limited (NZSX) on each of the five business days immediately following the ex-dividend date (which price may be varied at the discretion of the board as set out in paragraph (c) below). The ex-dividend date is the second business day before the relevant record date, unless NZX determines otherwise.
- (b) If no sales of shares of the Company occur during such period then the volume weighted average sale price will be deemed to be the sale price for a share of the Company on the first price-setting trade on the NZSX which took place after such period.
  - (c) Any volume weighted average sale price so determined under paragraphs 6(a) or 6(b) may be reasonably adjusted by the board to allow for any bonus or dividend expectation. In addition if, in the opinion of the board, any exceptional or unusual circumstances have artificially affected the volume weighted average sale price so determined or, having regard to comparable individual daily volume weighted average sale prices of the Company's shares on the ASX would result in a materially different determination of that sale price, the board may make such adjustment to that sale price as it considers reasonable.

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- (d) Where the number calculated in accordance with the preceding formula is not a whole number, then the number of shares of the Company to be acquired by a participant will be the nearest whole number. If such number is 0.5, that number of shares will be rounded up to the next whole number.
  - (e) At the time the price for the shares is set under this paragraph 6, the Company will ensure that it has no information that is not publicly available and that would, or would be likely to, affect materially and adversely the price of the shares if it were publicly available.

## 7. Statements to participants

The Company will send to each participant, on each dividend payment date, a statement detailing in respect of that participant:

- (a) The number of Participating Shares at the relevant record date.
- (b) The amount of cash dividend and the amount paid in respect of Participating Shares and non-participating shares, if applicable.
- (c) The amount of any taxation deductions.
- (d) The number of shares acquired under the Plan.
- (e) Advice as to the amount of any taxation credits.

## 8. No costs to participants

No brokerage or commission costs will be payable by a participant in respect of the acquisition of Additional Shares under the Plan.

## 9. Variation or termination of participation

- (a) A participant may, at any time, by giving written notice to the share registrar, increase or decrease the number of Participating Shares in the Company participating in the Plan, or terminate their participation in the Plan.
- (b) Any such alteration or termination advised pursuant to paragraph (a) above will take effect immediately upon receipt by the share registrar of the written notice, provided that any notice received after a record date will be effective for the next following record date.

- (c) If a participant dies, their participation will be terminated upon receipt by the Company of a notice of death in an acceptable form. Death of one of two or more joint holders will not automatically terminate participation.

## 10. Reduction or termination of participation where no notice is given

Where a participant with partial participation disposes of part of their holding of shares then, unless they advise the Company otherwise:

- (a) The shares disposed of will be deemed to be shares not participating in the Plan from the date the Company registers a transfer of such shares.
- (b) If the number of shares disposed of is more than the number of the participant's shares not participating in the Plan, the balance will be attributed to shares participating in the Plan.

## 11. Termination, suspension and modification of the Plan

The board may at any time and from time to time in its sole discretion:

- (a) Terminate or modify the Plan. If the Plan is modified, then a Participation Notice will be deemed to be a Participation Notice under the Plan as modified unless that Participation Notice is withdrawn by the shareholder.
- (b) Suspend the operation of the Plan so that it will not apply to the whole or part of any dividends and that the dividend or the balance of the dividend, as the case may be, will be paid in cash.
- (c) Determine that the Additional Shares may be issued at a discount to the market price.
- (d) Determine that in the event of the subdivision, consolidation or reclassification of the shares into one or more new classes of shares, that a Participation Notice will be deemed to be a Participation Notice in respect of the shares as subdivided, consolidated or reclassified unless such Participation Notice is subsequently changed or withdrawn by the participating shareholder.

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- (e) Determine that a Participation Notice will cease to be of any effect.
  - (f) Where any termination, suspension or modification is made to the Plan pursuant to this paragraph 11, notice of such suspension, modification or termination will be given to all participants by way of announcements on all stock exchanges on which the Company shares are listed.
  - (g) Where notice of any such modification or termination is given, it shall not be made during the period commencing on a date 21 days before a record date for the purposes of determining entitlements to a dividend and ending on the date of payment of that dividend.
  - (h) Notwithstanding paragraphs 11(f) and 11(g), the Company may at any time, without the need of any notice:
    - (i) modify or terminate the Plan to comply with any applicable law, the listing rules of any stock exchange on which the Company shares are listed, or any provision of the constitution of the Company; and
    - (ii) make minor amendments to the Plan where such amendments are of an administrative, procedural or clarifying nature.

## 12. Stock exchange listings

- (a) The shares which may be issued under the Plan have been accepted for listing by the NZSX and will be quoted on the completion of allotment procedures. However, the NZSX accepts no responsibility for any statement in this Offer Document.
- (b) Application will also be made for the Additional Shares which may be issued under the Plan to be listed for quotation on the ASX where the Company's shares are also listed on that stock exchange.

## 13. Information for Australian shareholders

- (a) The offer of securities under the Plan does not need disclosure for the purposes of section 708 of the Corporations Act 2001 (Cth). Accordingly, this Offer Document will not be lodged with the Australian Securities and Investments Commission (ASIC).

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- (b) Australian resident Shareholders should note that Fletcher Building is not licensed to provide financial product advice in relation to the securities offered under the Plan. There is no cooling-off regime that applies in respect of your acquisition of securities offered under the Plan. This Offer Document does not take into account your personal objectives, financial situation or needs. You should consider obtaining your own financial product advice in relation to the proposed offer from an independent person who is licensed by ASIC to give such advice.

## 14. Governing law

The Plan and its operation and these terms and conditions will be governed by the laws of New Zealand.

## 15. Available information

A copy of the Company's most recent annual report and financial statements complying with the Financial Reporting Act 1993 are available to every shareholder free of charge on the company's website [www.fletcherbuilding.com](http://www.fletcherbuilding.com), or on request by contacting Fletcher Building at the following address:

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