EAGLE MATERIALS INC
Form DEF 14A
June 17, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

EAGLE MATERIALS INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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3811 Turtle Creek Blvd, Suite 1100

Dallas, Texas 75219-4487

June 17, 2016

Dear Fellow Stockholder:

It is my pleasure to invite you to our Annual Meeting of Stockholders, which will be held on Thursday, August 4, 2016, at Arlington Hall at Lee Park, 3333 Turtle Creek Blvd., Dallas, Texas 75219, at 8:00 a.m. We hope that you will attend the meeting, but we encourage you to vote by proxy whether or not you plan to attend the meeting in person.

This year we are again taking advantage of the Securities and Exchange Commission rules that allow companies to furnish their proxy materials over the Internet. As a result, beginning on June 17, 2016, we are mailing a Notice Regarding the Availability of Proxy Materials, or Notice, to many of our stockholders instead of a paper copy of the materials for the Annual Meeting. The Notice contains instructions on how to access the proxy materials over the Internet and vote online, as well as how stockholders can elect to receive paper copies of the materials. We believe that this process should expedite stockholders receipt of proxy materials and provide stockholders with the information they need, while being consistent with our objective of conserving our natural resources and reducing the costs of printing and distributing our proxy materials.

If you attend the Annual Meeting and desire to vote your shares personally rather than by proxy, you may withdraw your proxy at any time before it is exercised. **Your vote is very important, whether you own one share or many.**

Thank you for your continued support and interest in Eagle.

Sincerely,

DAVID B. POWERS

President and Chief Executive Officer

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EAGLE MATERIALS INC.

3811 Turtle Creek Blvd, Suite 1100

Dallas, Texas 75219-4487

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held August 4, 2016

To the Stockholders of Eagle Materials Inc.:

The annual meeting of stockholders of Eagle Materials Inc., which we refer to as the Company, will be held at Arlington Hall at Lee Park, 3333 Turtle Creek Blvd., Dallas, Texas 75219, at 8:00 a.m., local time, on Thursday, August 4, 2016. At the meeting, stockholders will vote on:

(1) Election of the two Class I directors identified in the accompanying proxy statement, each to hold office for three years.

(2) Approval of an advisory resolution regarding the compensation of our named executive officers.

(3) Approval of the expected appointment of Ernst & Young LLP as the Company s independent auditors for the fiscal year ending March 31, 2017.

(4) Any other matters properly brought before the annual meeting, or any adjournment thereof.

The Company s Board of Directors has fixed the close of business on June 8, 2016 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting or any adjournment thereof. Only record holders of the Company s common stock, par value $0.01 per share, which we refer to as our Common Stock, at the close of business on the record date are entitled to notice of and to vote at the annual meeting. A list of holders of Common Stock will be available for examination by any stockholder at the meeting and, during the ten-day period preceding the meeting date at the executive offices of the Company located at 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487.

For further information regarding the matters to be acted upon at the annual meeting, I urge you to carefully read the accompanying proxy statement. If you have questions about these proposals or would like additional copies of the proxy statement, please contact: Eagle Materials Inc., Attention: James H. Graass, Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487 (telephone: (214) 432-2000).

You are cordially invited to attend the annual meeting. Your vote is important. Whether or not you expect to attend the annual meeting in person, please vote through the Internet (as described in the Notice) or by telephone or fill in, sign, date and promptly return the accompanying form of proxy in the enclosed postage-paid envelope so that your shares may be represented and voted at the annual meeting. This will not limit your right to attend or vote in person at the annual meeting. Your proxy will be returned to you if you choose to attend the annual meeting and request that it

be returned. Shares will be voted in accordance with the instructions contained in your proxy, but if any proxies that are signed and returned to us do not specify a vote on any proposal, such proxies will be voted in the manner, if any, recommended by the Board.

By Order of the Board of Directors

JAMES H. GRAASS

Executive Vice President,
General Counsel and Secretary

Dallas, Texas

June 17, 2016

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR

THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 4, 2016.

Our proxy statement and 2016 annual report to stockholders

are available to you on the Internet at www.proxyvote.com.

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EAGLE MATERIALS INC.

3811 Turtle Creek Blvd., Suite 1100

Dallas, Texas 75219-4487

PROXY STATEMENT

INTRODUCTION

The accompanying proxy, mailed or provided online, together with this proxy statement, is solicited by and on behalf of the Board of Directors of Eagle Materials Inc., which we refer to as the Company, for use at the annual meeting of stockholders of the Company and at any adjournment or postponement thereof. References in this proxy statement to we, us, our or like terms also refer to the Company. References to our Board of Directors or Board refer to the B of Directors of the Company. The Notice Regarding the Availability of Proxy Materials, this proxy statement and accompanying proxy were first mailed to our stockholders on or about June 17, 2016.

Date, Time and Place of the Annual Meeting

The 2016 annual meeting of our stockholders will be held at Arlington Hall at Lee Park, 3333 Turtle Creek Blvd., Dallas, Texas 75219, at 8:00 a.m., local time, on Thursday, August 4, 2016.

Purposes of the Annual Meeting and Recommendations of our Board of Directors

At the meeting, action will be taken upon the following matters:

(1) *Election of Directors.* Stockholders will be asked to elect the two Class I directors identified in this proxy statement, each to hold office for a term of three years.

Our Board of Directors recommends that you vote for the election of its two nominees for director named in this proxy statement.

(2) *Advisory Vote on Compensation of our Named Executive Officers.* We are asking you to approve a non-binding advisory resolution regarding the compensation of our named executive officers as reported in this proxy statement.

Our Board of Directors recommends that you vote for the non-binding advisory resolution approving the compensation of our named executive officers.

(3) *Approval of the Expected Appointment of Ernst & Young LLP.* We are asking you to approve the expected appointment by our Audit Committee of Ernst & Young LLP as the Company s independent auditors for the fiscal year ending March 31, 2017.

Our Board of Directors recommends that you vote for the approval of the expected appointment of Ernst & Young LLP as the Company s independent auditors for the fiscal year ending March 31, 2017.

(4) *Other Business.* In addition, you may be asked to vote upon such other matters, if any, as properly come before the annual meeting, or any adjournment thereof.

Our Board of Directors does not know of any matters to be acted upon at the meeting other than the matters set forth in items (1) through (3) above.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR

THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 4, 2016.

Our proxy statement and 2016 annual report to stockholders

are available to you on the Internet at www.proxyvote.com.

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ABOUT THE MEETING

Who Can Vote

The record date for the determination of holders of the Company s Common Stock, par value $0.01 per share, which we refer to as our Common Stock, entitled to notice of and to vote at the meeting, or any adjournment or postponement of the meeting, is the close of business on June 8, 2016. In this proxy statement, we refer to this date as the record date. As of the record date, there were 48,577,969 shares of our Common Stock issued and outstanding and entitled to vote at the meeting. Our stock transfer books will not be closed in connection with the meeting. Our Common Stock is listed on the New York Stock Exchange, or NYSE, under the symbol EXP.

How Proxies Will be Voted

Shares represented by valid proxies will be voted at the meeting in accordance with the directions given. If the enclosed proxy card is signed and returned without any direction given, the shares will be voted in the manner, if any, recommended by the Board. The Board does not intend to present, and has no information indicating that others will present, any business at the annual meeting other than as set forth in the attached Notice of Annual Meeting of Stockholders. However, if other matters requiring the vote of our stockholders properly come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxies held by them in accordance with their best judgment in such matters.

How to Revoke Your Proxy

You have the unconditional right to revoke your proxy at any time prior to the voting thereof by submitting a later-dated proxy, by attending the meeting and voting in person, or by written notice to us addressed to: Eagle Materials Inc., Attention: James H. Graass, Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487. No such revocation shall be effective, however, unless and until received by the Company at or prior to the meeting.

Quorum and Required Vote

The presence at the meeting, in person or represented by proxy, of the holders of a majority of the voting power of the shares of our capital stock entitled to vote on any matter shall constitute a quorum for purposes of such matter. Abstentions and broker non-votes will be included in determining the presence of a quorum at the meeting. The holders of Common Stock will be entitled to one vote per share on each matter that may properly be brought before the meeting or any adjournment thereof. There is no cumulative voting.

Proposal	Required Vote	Effect of Abstentions and Broker Non-Votes
Election of Directors	Majority of votes cast	No effect on outcome of vote
Advisory vote on compensation of our named executive officers	Majority of votes cast	No effect on outcome of vote
Approval of the expected appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending	Affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the meeting	Same effect as votes against proposal

March 31, 2017

Pursuant to the rules of the NYSE, brokers do not have discretionary authority to vote in the election of directors if they did not receive instructions from the beneficial owner because the election of directors is not considered a routine matter. The advisory vote regarding executive compensation is also not considered routine, and brokers may not vote your shares with respect to such matter without instructions from you.

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Expenses of Soliciting Proxies

The cost of soliciting proxies for the meeting will be borne by the Company. Solicitations may be made on behalf of our Board by mail, personal interview, telephone or other electronic means by officers and other employees of the Company, who will receive no additional compensation therefor. To aid in the solicitation of proxies, we have retained the firm of Okapi Partners, which will receive a fee of approximately $9,000, in addition to the reimbursement of out-of-pocket expenses. We will request banks, brokers, custodians, nominees, fiduciaries and other record holders to forward copies of this proxy statement to persons on whose behalf they hold shares of Common Stock and to request authority for the exercise of proxies by the record holders on behalf of those persons. In compliance with the regulations of the Securities and Exchange Commission, or SEC, and the NYSE, we will reimburse such persons for reasonable expenses incurred by them in forwarding proxy materials to the beneficial owners of our Common Stock.

How You Can Vote

You can vote your shares at the meeting, by telephone, over the Internet or by completing, signing, dating and returning your proxy in the enclosed envelope.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS AND RELATED MATTERS

General

Our Board of Directors is the ultimate decision-making body of the Company, except with respect to those matters reserved to our stockholders. The primary responsibilities of our Board include:

- the selection, compensation and evaluation of our Chief Executive Officer and oversight over succession planning;
- oversight of our strategic planning;
- approval of all our material transactions and financings;
- oversight of processes that are in place to promote compliance with law and high standards of business ethics;
- advising management on major issues that may arise; and
- evaluating the performance of the Board and its committees, and making appropriate changes where necessary.

Members of our Board of Directors are divided into three classes based on their term of office (Class I, II and III). The directors in each such class hold office for staggered terms of three years each. At present, each class has three directors, except for Class III, which has four directors. Our Board has determined that, in light of the expected director retirements discussed in Nominees below, effective at the annual meeting, the Board shall consist of eight directors. The following table shows the composition of our Board after the annual meeting, assuming the election of the proposed slate of Class I director nominees and the expected retirements noted above:

Class	Directors
Class I: Term expires at the 2019 annual meeting and every three years thereafter	Martin M. Ellen
	David B. Powers
Class II: Term expires at the 2017 annual meeting and every three years thereafter	Laurence E. Hirsch
	Michael R. Nicolais
	Richard R. Stewart

Class III: Term expires at the 2018 annual meeting and every three years thereafter	F. William Barnett Richard Beckwitt Ed H. Bowman

Director Independence

NYSE corporate governance rules require that our Board of Directors be comprised of a majority of independent directors. Our Board of Directors has determined, upon the recommendation of our Corporate Governance and Nominating Committee, which we refer to as our Governance Committee, that all members of our Board of Directors, other than Mr. Powers, are independent within the meaning of the independence requirements of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and the corporate governance rules of the NYSE.

In determining that seven of our eight continuing directors are independent, our Board of Directors considered the following facts:

Messrs. F. William Barnett, Richard Beckwitt, Ed H. Bowman, Martin M. Ellen and Richard R. Stewart have no relationship with the Company that potentially affects their independence.

From 1985 until his retirement in March 2004, Mr. Laurence E. Hirsch was an officer of Centex. Mr. Hirsch was also our interim Chief Executive Officer for approximately six months from April 2003 until September 2003. Because it has been over ten years since Mr. Hirsch retired from Centex or served as an officer of the Company on an interim basis, and in light of the absence of any other material relationship with the Company (other than as a director of the Company), our Board of Directors has determined that Mr. Hirsch has no material relationship with the Company.

Mr. Michael R. Nicolais entered into an employment relationship with a company owned by another member of our Board of Directors, Laurence E. Hirsch, in 2004. In particular, in April 2004, Mr. Nicolais accepted employment as president of Highlander Partners L.P., or Highlander Partners, a private investment partnership of which Mr. Hirsch is the sole equity owner. In view of, among other things: (1) the fact that Mr. Nicolais has never served as an officer or employee of the Company or any of its parents or subsidiaries; (2)

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the employment relationship between Mr. Nicolais and Highlander Partners commenced after the completion of the spin-off of the Company from Centex and after the date Mr. Hirsch retired as an executive officer and director of Centex; (3) the investment services provided by Mr. Nicolais to Highlander Partners are largely unrelated to the Company (except to the extent that such services involve investment services relating to a portion of the shares of our Common Stock beneficially owned by Mr. Hirsch); and (4) the fact that, as described above, our Board of Directors has determined that Mr. Hirsch himself has no material relationship with the Company, our Board of Directors determined that Mr. Nicolais has no material relationship with the Company.

Nominees

Each of the nominees listed below is currently a member of our Board of Directors. Each of these nominees has been recommended for nomination by our Governance Committee after considering the criteria described below under the heading Corporate Governance and Nominating Committee. We have no reason to believe that any of the listed nominees will become unavailable for election, but if for any reason that should be the case, proxies may be voted for substitute nominees. Because this is an uncontested election of directors, a majority of votes cast by the holders of our Common Stock (number of shares voted for a director nominee must exceed the number of votes cast against the director nominee) will be required to elect the nominees for director in accordance with our Bylaws and our Corporate Governance Guidelines. (A plurality voting standard would apply in a contested election.) If an incumbent director is not re-elected, such director will promptly tender his or her resignation to the Chairman of the Board, and a special committee of independent directors will consider the resignation and make a recommendation to the Board as to whether to accept or reject such resignation. The Board will then publicly disclose its decision regarding the resignation and the rationale behind the decision.

Our Corporate Governance Guidelines generally require directors to retire at the first annual meeting that occurs after the director s 72nd birthday unless the Board (other than the affected director) waives the requirement upon the recommendation of the Governance Committee. The Board has previously approved such a waiver for Messrs. Clarke and Quinn, which waivers expire at the 2016 annual meeting. Therefore, Mr. Clarke has not been nominated for re-election as a Class I director, and his term will expire at the 2016 annual meeting, and Mr. Quinn is expected to retire as a Class III director at the 2016 annual meeting.

Recommendation of the Board

Our Board of Directors recommends that holders of Common Stock vote for the election of the nominees listed below to serve as Class I directors for a three-year term ending at our 2019 annual meeting of stockholders:

Martin M. Ellen

David B. Powers

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Director Qualifications

Set forth below is information about the nominees standing for election at our 2016 annual meeting, as well as our continuing directors whose terms of office do not expire at such annual meeting. The biographical information appearing below regarding the nominees for director and continuing directors has been furnished to us by the respective nominees and directors. Also included below is a brief description of how each individual s experience qualifies him to serve as a director of the Company.

Nominees for Director Whose Terms Expire at our 2016 Annual Meeting

(Class I Directors)

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Martin M. Ellen	62	2013	Mr. Ellen has served as Chief Financial Officer and Executive Vice President at Dr Pepper Snapple Group, Inc. since April 2010. Mr. Ellen also served as the Chief Financial Officer and Senior Vice President - Finance of Snap-on Inc. from November 2002 to March 2010. Mr. Ellen is a certified public accountant and serves as Chair of our Audit Committee. Mr. Ellen brings to the Board and the Audit Committee his extensive management, finance and audit experience gained from over 25 years serving as chief financial officer with public and private companies and prior experience with a major public accounting firm.
David B. Powers	66	2016	Mr. Powers was appointed the Company s President and Chief Executive Officer effective on the close of business on March 31, 2016, at which time he was also appointed to the Board to fill the vacancy created by the retirement of our former President and Chief Executive Officer, Steven R. Rowley. Prior to his promotion to President and Chief Executive Officer of the Company, Mr. Powers served as Executive Vice President Gypsum of the Company and as President of American Gypsum Company LLC, a subsidiary of the Company (American Gypsum), since January 2005. Mr. Powers previously served as Executive Vice President Marketing, Sales and Distribution of American Gypsum, beginning in June 2002. Mr. Powers brings to the Board his extensive executive and operations experience in the construction products industry, including over 35 years of experience in the gypsum industry.

Continuing Directors Whose Terms Expire at our 2017 Annual Meeting

(Class II Directors)

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Laurence E. Hirsch	70	1985	Mr. Hirsch is Chairman of Highlander Partners, a private investment company. He has served as Chairman of our Board of Directors from July 1999 to the present and also served in that capacity from January 1994 through December 1997. He was our interim Chief Executive Officer from April 2003 through September 2003. Mr. Hirsch is a member of the Executive Committee of our Board of Directors. Until his retirement on March 31, 2004, Mr. Hirsch served Centex Corporation in various capacities, including as President beginning in 1985, as Chief Executive Officer beginning in July 1988 and as Chairman of its board of directors beginning in July 1991. Mr. Hirsch served as a director of Belo Corp. from August 1999 through January 2008 and continued as a director of A. H. Belo until May 2011. Mr. Hirsch served as a director of the Federal Home Loan Mortgage Corp. (Freddie Mac) from November 2009 until February 2012. Mr. Hirsch is currently Chairman of the Center for European Policy Analysis.

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			Mr. Hirsch brings to the Board his extensive executive experience gained through his service as the CEO of a public company. In addition, Mr. Hirsch brings extensive knowledge of the Company through having served as our Chairman for 20 years. Mr. Hirsch also brings valuable experience as an executive officer within the construction products industry and his knowledge of corporate governance and financial oversight gained from his membership on the boards of other public companies.
Michael R. Nicolais	58	2001	In April 2004, Mr. Nicolais became President of Highlander Partners. From August 2002 until March 2004, Mr. Nicolais served as Managing Director of Stephens, Inc., an investment banking firm. Prior to joining Stephens, Inc., he was a partner in the private investment firm of Olivhan Investments, L.P. from March 2001 until August 2002. From August 1986 to December 2000, he was employed by Donaldson, Lufkin & Jenrette Securities Corporation s Investment Banking Division, most recently in the position of Managing Director and co-head of that firm s Dallas office. Mr. Nicolais serves as a member of our Compensation Committee. Mr. Nicolais brings to the Board and the Compensation Committee his extensive knowledge of capital markets, financial analysis and financial oversight gained through his experience as an investment banker and investment manager.
Richard R. Stewart	66	2006	Mr. Stewart has served as Vice Chairman of our Board of Directors since 2015. From 1998 until 2006 Mr. Stewart served as President and CEO of GE Aero Energy, a division of GE Power Systems and as an officer of General Electric Company. Mr. Stewart retired from General Electric in 2006. Mr. Stewart s career at General Electric began in 1998 as a result of General Electric s acquisition of the gas turbine business of Stewart & Stevenson Services, Inc. Mr. Stewart began his career at Stewart & Stevenson in 1972 and while at Stewart & Stevenson served in various positions including as Group President and member of the board of directors. Mr. Stewart also served as a director of Plug Power Inc. from July of 2003 to March of 2006. Mr. Stewart became a director of Kirby Corporation in 2008 and was a director of Lufkin Industries, Inc. from 2009 until its acquisition by GE Oil & Gas in 2013. Mr. Stewart was elected to the board of Exterran Corp. in April 2015. Mr. Stewart also serves as a member of our Governance Committee. Mr. Stewart brings to the Board and the Governance Committee his proven leadership and business experience as the former CEO of a manufacturing company. Mr. Stewart also brings corporate governance experience gained from membership on the boards of other public companies and as an officer with General Electric.

Continuing Directors Whose Terms Expire at our 2018 Annual Meeting

(Class III Directors)

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
F. William Barnett	69	2003	Mr. Barnett retired in 2003 from his position as a Director in the Dallas office of McKinsey & Company, Inc., an international consulting firm, after 23 years of employment, where he led the firm s Strategy Practice. Mr. Barnett has previously served as an Adjunct Professor at the Yale School of Management and currently teaches at the Jesse H. Jones Graduate School of Business at Rice University. Mr. Barnett s book, *The Strategic Career: Let Business Principles Guide You*, was released in 2015. Mr. Barnett serves as Chair of our Governance Committee and a member of our Compensation Committee. Mr. Barnett brings to the Board, the Governance Committee and the Compensation Committee his corporate governance and strategy development and implementation experience gained from his long career in management consulting and his service on another board.

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Richard Beckwitt	57	2014	Mr. Beckwitt is the President of Lennar Corporation. He joined Lennar in March 2006 as an Executive Vice President and was promoted to President in April 2011. Mr. Beckwitt served on the Board of Directors of D.R. Horton, Inc. from 1993 to November 2003. From 1993 to March 2000, he held various executive officer positions at D.R. Horton, including President of the Company. From March 2000 to April 2003, Mr. Beckwitt was the owner and principal of EVP Capital, L.P., a venture capital and real estate advisory company. From 1986 to 1993, Mr. Beckwitt worked in the Mergers and Acquisitions and Corporate Finance Departments at Lehman Brothers. Mr. Beckwitt is a member of our Audit Committee. Mr. Beckwitt brings to the Board and the Audit Committee his extensive executive experience gained through his service as the President and executive officer of public companies within the homebuilding industry, as well as finance-related experience with a major investment banking firm.
Ed H. Bowman	69	2011	Mr. Bowman served as Chief Executive Officer, President and a director of SOURCECORP from 1996 until 2011. Prior to 1996, Mr. Bowman was a senior executive at First Data Corporation. Mr. Bowman serves as an Executive Partner with Teakwood Capital and on the advisory board of the J. Mack Robinson College of Business at Georgia State University. Mr. Bowman serves as Chair of our Compensation Committee. Mr. Bowman brings to the Board and the Compensation Committee his proven leadership and business experience as the retired CEO of an expanding company. Mr. Bowman also brings corporate governance, finance and compensation knowledge gained from his experience at other public companies.

Board Meetings and Attendance Records

During the Company s fiscal year ended March 31, 2016, our Board of Directors held four regularly scheduled meetings and two special meetings. During such fiscal year, all of the incumbent directors attended at least 75% of the meetings of the Board and the committees of the Board on which they served. In accordance with our informal policy, we anticipate that all continuing directors and nominees will attend our 2016 annual stockholders meeting. All of our then-current directors attended our 2015 annual meeting. We strongly encourage all directors to attend our stockholder meetings. Our non-employee directors (which currently constitute all our directors, except for Mr. Powers) meet immediately after all Board meetings without management present. Mr. Hirsch presides at all executive sessions of the non-employee directors.

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BOARD COMPENSATION

Board compensation for the 12-month period from August 2015 through July 2016 was approved by our Board of Directors in August 2015. The Board adopted a director compensation structure in which directors who are not employees of the Company or any of our subsidiaries received compensation for their services during the 12-month period from August 2015 through July 2016 by electing one of the following two compensation package alternatives:

(1) total compensation valued at $170,000, of which $85,000 is paid in cash and the remainder is provided in the form of an equity grant valued at $85,000; or

(2) an equity grant valued at $193,000.

The grant date value of the equity grant under either alternative is allocated between restricted stock and options to purchase Common Stock (based upon the recommendation of the Compensation Committee) with respect to each non-employee director.

In accordance with the terms of the Eagle Materials Inc. Amended and Restated Incentive Plan, which we refer to as our Incentive Plan, the exercise price of stock options is set at the closing price of the Common Stock on the NYSE on the date of grant. The number of option shares granted is determined as of the date of grant by using the Black-Scholes method. All the options granted to directors in August 2015 were fully exercisable when granted and have a ten-year term.

The number of shares of restricted stock is determined as of the date of grant using the closing price of the Common Stock on the NYSE on the date of grant. The restricted stock granted to directors in August 2015 was earned at the time of grant; however, the shares will not become fully vested (unrestricted) until the director s service on the Board terminates because of the director s death or the director s retirement in accordance with the Company s director retirement policy, or under such circumstances as are approved by the Compensation Committee. During the restriction period the director will have the right to vote the shares. In addition, the director will also be entitled to cash dividends as and when the Company issues a cash dividend on the Common Stock. Notwithstanding the above, the restricted shares issued to Mr. Hirsch do not have voting rights and are not entitled to cash dividends, but rather to a dividend-equivalent payment.

Non-employee directors who chair committees of the Board of Directors receive additional annual compensation. The Governance Committee Chair receives a fee of $15,000 per year. The chairs of the Audit Committee and the Compensation Committee each receive a fee of $20,000 per year. The Vice Chairman of the Board receives a fee of $35,000 per year, and the Chairman of the Board receives a fee of $50,000 per year. Chairpersons who choose compensation package alternative one (part equity and part cash) receive this additional compensation in the form of cash. Chairpersons who choose compensation package alternative two (all equity) receive this additional compensation in the form of equity, in which case a 26.67% premium is added to such fees when valuing the equity to be received by such chairperson.

If non-employee directors hold unvested restricted stock units, which we refer to as RSUs, granted as part of director compensation in prior fiscal years (which currently includes Messrs. Barnett, Hirsch and Nicolais), these directors will receive dividend equivalent units as and when the Company pays a cash dividend on the Common Stock in accordance with the terms of the RSUs.

All directors are reimbursed for reasonable expenses of attending meetings.

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Non-Employee Director Compensation for Fiscal Year 2016

The table below summarizes the compensation paid by the Company to our non-employee directors for the fiscal year ended March 31, 2016.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
F. William Barnett(4)		$ 212,002				$ 2,476	$ 214,478
Richard Beckwitt(4)(5)	$ 53,333	193,026				484	246,843
Ed H. Bowman(6)		218,380				2,460	220,840
Robert L. Clarke(4)		46,316	$ 144,770			1,580	192,666
Martin M. Ellen (5)(7)	101,597	42,576	42,517			404	187,094
Laurence E. Hirsch(8)		64,103	192,254			2,158(9)	258,515
Michael R. Nicolais(4)(5)	25,000	193,026				1,134	219,160
David W. Quinn(4)		193,026				3,038	196,064
Richard R. Stewart(5)(10)	91,667	42,576	42,517			1,083	177,843

(1) The amounts in this column reflect the value of restricted stock awards made to the directors in the fiscal year ended March 31, 2016 and are consistent with the grant date fair value of the award computed in accordance with FASB ASC Topic 718. For assumptions used in determining these values, refer to footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2016 included in the Company s Annual Report on Form 10-K filed with the SEC on May 25, 2016, or Fiscal 2016 Form 10-K.

(2) The amounts in this column reflect the value of option awards made to the directors in the fiscal year ended March 31, 2016 and are consistent with the grant date fair value of the award computed in accordance with FASB ASC Topic 718. For assumptions used in determining these values, refer to footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2016 included in the Fiscal 2016 Form 10-K.

(3) The amounts in this column represent dividend payments made in fiscal 2016 to the directors with respect to restricted stock awarded to such directors, except as otherwise noted.

(4) Messrs. Barnett, Beckwitt, Clarke, Nicolais and Quinn elected to receive 100% of their director compensation in the form of equity.

(5) All of the cash received by Messrs. Beckwitt and Nicolais and a portion of the cash received by Messrs. Ellen and Stewart relates to director compensation for the prior board year ended July 2015.

(6)

Mr. Bowman is the Chair of the Compensation Committee. He elected to receive 100% of his director compensation in the form of equity (including his chairperson fee).

(7) Mr. Ellen is Chair of the Audit Committee. He selected the compensation package where he receives a portion of his director compensation in the form of equity and a portion in cash. Mr. Ellen received his committee chairperson fee in cash.

(8) Mr. Hirsch is the Chairman of the Board. He elected to receive 100% of his director compensation in the form of equity (including his chairperson fee).

(9) Includes $773 of dividend equivalent cash payments made to Mr. Hirsch in connection with restricted stock awarded to Mr. Hirsch.

(10) Mr. Stewart is the Vice Chairman of the Board. He selected the compensation package where he receives a portion of his director compensation in the form of equity and a portion in cash. Mr. Stewart received his chairperson fee in cash.

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The following chart shows the number of outstanding stock options, RSUs and shares of restricted stock held by each non-employee director as of March 31, 2016.

Name	Stock Options[1]	RSUs[2]	Restricted Stock[3]
F. William Barnett	78,088	8,662	7,519
Richard Beckwitt	2,421		
Ed H. Bowman	6,293		7,519
Robert L. Clarke	81,633		4,252
Martin M. Ellen	5,117		1,276
Laurence E. Hirsch	79,531	11,238	5,797
Michael R. Nicolais	33,259	3,809	4,045
David W. Quinn	31,321		8,805
Richard R. Stewart	17,515		2,974

(1) All of these stock options were fully exercisable as of March 31, 2016.

(2) The RSUs granted to non-employee directors are not payable until the non-employee director s service on the board terminates because of the director s death or the director s retirement in accordance with the Company s director retirement policy, or under such circumstances as are approved by the Compensation Committee. The number of RSUs reflected in this column includes the following aggregate dividend equivalent units, which are accrued by holders of our RSUs at any time we pay a cash dividend on our Common Stock: Mr. Barnett 1,150 RSUs; Mr. Hirsch 1,495 RSUs; and Mr. Nicolais 509 RSUs.

(3) The restrictions on the restricted stock granted to non-employee directors will not lapse until the non-employee director s service on the board terminates because of the director s death or the director s retirement in accordance with the Company s director retirement policy, or under such circumstances as are approved by the Compensation Committee. Any cash dividends declared and paid by the Company during the restricted period are paid in cash with respect to such restricted stock.

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Board Leadership Structure and Role in Risk Oversight

The positions of Chairman of the Board and CEO are performed by two different persons. Mr. Powers, our CEO, focuses on the day-to-day operation of the Company s businesses and participates in both operational and long-term strategy and development. Mr. Hirsch, our Chairman, oversees the Company s general strategic direction and leads and manages the Board. Mr. Stewart, our Vice Chairman, fulfills the Chairman s duties in the event that Mr. Hirsch is unavailable.

As part of its primary risk management function, the Audit Committee oversees the preparation by management of a risk report on a quarterly basis. However, our entire Board of Directors is also charged with, and is actively involved in, identifying, evaluating and managing risks on behalf of the Company, and the Board undertakes to hold discussions on these topics with management and the Audit Committee throughout the year. Further, the independent directors address risk management in executive sessions without management present. As appropriate in the context of their chartered roles, the Board s other committees also perform risk management and oversight activities during the year. For example, the Governance Committee is responsible for overseeing governance issues that may create governance risks, such as board composition, director selection and other governance policies and practices that are critical to the success of the Company.

Risk Assessment in Compensation Programs

Consistent with SEC disclosure requirements, management, the Compensation Committee and the Board have assessed the Company s compensation programs. Based upon all of the facts and circumstances available to the Company at the time of the filing of this Proxy Statement, the Board has concluded that risks arising from the Company s compensation policies and practices are not reasonably likely to have a material adverse effect on the Company or encourage unnecessary and excessive risk-taking. This assessment was overseen by the Compensation Committee, in consultation with management. The Board reviewed the compensation policies and practices in effect for our executive officers, senior management and other employees and assessed the features the Company has built into the compensation programs to discourage excessive risk-taking. These features include, among other things, a balance between different elements of compensation, use of different time periods and performance metrics for different elements of compensation, restrictions on pricing authority, review and approval of material contracts, and stock ownership guidelines for senior management.

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Board Committees

The standing committees of our Board of Directors include the Audit Committee, the Compensation Committee, the Governance Committee and the Executive Committee. The following table lists the chairpersons and members of each committee as of March 31, 2016, and the number of meetings held by each committee during the fiscal year ended March 31, 2016:

Director	Audit	Compensation	Governance	Executive
F. William Barnett				
Richard Beckwitt				
Ed H. Bowman				
Robert L. Clarke				
Martin M. Ellen				
Laurence E. Hirsch				
Michael R. Nicolais				
David W. Quinn				
David B. Powers				
Richard R. Stewart				
Number of Meetings in Fiscal 2016	6	11	5	1

= Member = Chair

Audit Committee

Our Board has a standing Audit Committee, composed of at least three independent directors. Our Audit Committee assists the Board in fulfilling its responsibility to oversee the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence and appointment of our independent auditors and the performance of our internal audit function and independent auditors. Our Audit Committee is governed by an amended and restated Audit Committee charter, a copy of which may be viewed on our website at *www.eaglematerials.com* and will be provided free of charge upon written request to our Secretary at our principal executive office.

Our Board has determined that each member of our Audit Committee is independent within the meaning of applicable (1) corporate governance rules of the NYSE and (2) requirements set forth in the Exchange Act and the applicable SEC rules. In addition, our Board has determined that each member of our Audit Committee satisfies applicable NYSE standards for financial literacy and that, based on his auditing and financial experience, including over 25 years of experience as a chief financial officer with public and private companies and prior experience with a major public accounting firm, Mr. Ellen is an audit committee financial expert within the meaning of the rules of the SEC.

Unless otherwise determined by the Board, no member of our Audit Committee may serve as a member of an audit committee of more than two other public companies.

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Certain key functions and responsibilities of our Audit Committee are to:

- select, appoint, compensate, evaluate, retain and oversee the independent auditors engaged for purposes of preparing or issuing an audit report or related work or performing other audit, review, or attestation services for us;
- obtain and review, at least annually, a formal written statement from our independent auditors describing all relationships between our auditors and the Company and engage in a dialogue with our auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors and to recommend appropriate action in response to the reports to our Board;
- pre-approve all audit engagement fees and terms and all permissible non-audit services provided to us by our independent auditors, in accordance with the committee s policies and procedures for pre-approving audit and non-audit services;
- establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- discuss our annual audited financial statements, quarterly financial statements and other significant financial disclosures with management and our independent auditors;
- discuss with management the types of information to be disclosed and the types of presentations to be made in our earnings press releases, as well as the financial information and earnings guidance we provide to analysts and rating agencies;
- annually review and assess the performance of the Audit Committee and the adequacy of its charter;
- discuss policies with respect to risk assessment and risk management; and
- prepare the report that is required to be included in our annual proxy statement regarding review of financial statements and auditor independence.

Our Audit Committee s report on our financial statements for the fiscal year ended March 31, 2016 is presented below under the heading Audit Committee Report.

Our Audit Committee meets separately with our independent auditors and with members of our internal audit staff outside the presence of the Company s management or other employees to discuss matters of concern, to receive

recommendations or suggestions for change and to exchange relevant views and information.

Compensation Committee

Our Board s Compensation Committee is composed of independent directors who meet the corporate governance standards of the NYSE including the enhanced NYSE independence requirements for directors serving on compensation committees, qualify as non-employee directors within the meaning of Rule 16b-3(b)(3) of the Exchange Act and as outside directors within the meaning of the Internal Revenue Code. Under its amended and restated charter, which you may review on our web site at *www.eaglematerials.com* (and a copy of which will be provided to you free of charge upon written request to our Secretary at our principal executive office), the primary purposes of our Compensation Committee are to assist the Board in discharging its responsibilities relating to compensation of our Chief Executive Officer and other senior executives and to direct the preparation of the reports regarding executive compensation that the rules of the SEC require to be included in our annual proxy statement. The Compensation Committee is authorized to hire outside advisers after taking into account all factors relevant to the adviser s independence from management. For additional information regarding outside advisers engaged by the Compensation Committee, please see Compensation Discussion and Analysis beginning on page 19 of this proxy statement.

Certain key functions and responsibilities of our Compensation Committee are to:

- periodically review and make recommendations to our Board as to our general compensation philosophy and structure, including reviewing the compensation programs for senior executives and all of our benefit plans to determine whether they are properly coordinated and achieve their intended purposes;

- annually review and approve corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluate his or her performance as measured against such goals and objectives and to set the salary and other cash and equity compensation for our Chief Executive Officer based on such evaluation;

- review and, after the end of the fiscal year and in consultation with our Chief Executive Officer, approve the compensation of our senior executive officers who are required to make disclosures under Section 16 of the Exchange Act, who we refer to as our senior executive officers ;

- administer the Company s compensation plans for which it is named as plan administrator, including our Incentive Plan;

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report on compensation policies and practices with respect to our executive officers as required by SEC rules; and

review and assess the performance of the Compensation Committee and the adequacy of its charter annually and recommend any proposed changes to the Board.

In accordance with the terms of our Incentive Plan, the Compensation Committee has delegated to the Special Situation Stock Option Committee (whose sole member is our CEO) the authority to grant time-vesting stock options in special circumstances. Under this authorization, the Special Situation Stock Option Committee may grant stock options to newly-hired employees and newly-promoted employees, under terms set by the Compensation Committee. This authority for fiscal 2017, which expires on May 31, 2017, is limited to an aggregate of 60,000 option shares, no one individual may receive more than 15,000 option shares, and Section 16 reporting persons may not receive awards pursuant to this authority. Stock options granted under this delegation of authority vest 20% per year commencing on the first anniversary of the grant date. During fiscal 2016, 32,500 stock options were granted to employees under this authority out of a maximum of 60,000.

Our Compensation Committee s report for the fiscal year ended March 31, 2016 is presented below under the heading Compensation Committee Report beginning on page 18 of this proxy statement.

Our Compensation Committee meets as often as it deems appropriate, but no less than twice per year.

Governance Committee

Our Board s Governance Committee is composed of independent directors who meet the corporate governance standards of the NYSE. The primary purposes of this committee are: (1) to advise and counsel our Board and management regarding, and oversee our governance, including our Board s selection of directors; (2) to develop and recommend to the Board a set of corporate governance principles for the Company; and (3) to oversee the evaluation of our Board and management. Our Governance Committee has adopted a written charter, and our Board has also adopted Corporate Governance Guidelines. Both the Governance Committee charter and the Corporate Governance Guidelines may be viewed on our web site at *www.eaglematerials.com* and will be provided free of charge upon written request to our Secretary at our principal executive office.

Certain key functions and responsibilities of our Governance Committee are to:

develop, periodically review and recommend a set of corporate governance guidelines for the Company to the Board;

periodically review corporate governance matters generally and recommend action to the Board where appropriate;

review and assess the adequacy of its charter annually and recommend any proposed changes to our Board for approval;

monitor the quality and sufficiency of information furnished by management to our Board;

actively seek, recruit, screen, and interview individuals qualified to become members of the Board, and consider management s recommendations for director candidates;

evaluate the qualifications and performance of incumbent directors and determine whether to recommend them for re-election to the Board;

establish and periodically re-evaluate criteria for Board membership;

recommend to the Board the director nominees for each annual stockholders meeting; and

recommend to the Board nominees for each committee of the Board.

The Governance Committee initiates and oversees an annual evaluation of the effectiveness of the Board and each committee, as well as the composition, organization (including committee structure, membership and leadership) and practices of the Board. This evaluation is confidential as to each member of the Board and its committees. Part of the Governance Committee s self-evaluation process involves an assessment of the effectiveness of the Company s corporate governance policies, which includes the Company s policies surrounding diversity.

Among the criteria the Governance Committee uses in evaluating the suitability of individual nominees for director (whether such nominations are made by management, a stockholder or otherwise) are their integrity, experience, achievements, judgment, intelligence, personal character, ability to make independent analytical inquiries, willingness to devote adequate time to Board duties and the likelihood that he or she will be able to serve on the Board for a sustained period. In connection with the selection of nominees for director, the Governance Committee gives due consideration to diversity in perspectives, backgrounds, business experiences, professional expertise, gender and ethnic background among the Board members.

Members of the Governance Committee, other members of the Board or executive officers may, from time to time, identify potential candidates for nomination to our Board. All proposed nominees, including candidates recommended for nomination by

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stockholders in accordance with the procedures described below, will be evaluated in light of the criteria described above and the projected needs of the Board at the time. As set forth in its charter, the Governance Committee may retain a search firm to assist in identifying potential candidates for nomination to the Board of Directors.

Our Governance Committee will consider candidates recommended by stockholders for election to our Board. A stockholder who wishes to recommend a candidate for evaluation by our Governance Committee should forward the candidate s name, business or residence address, principal occupation or employment and a description of the candidate s qualifications to the Chairman of the Governance Committee at the following address: Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Boulevard, Suite 1100, Dallas, Texas 75219-4487.

Our Bylaws provide that, to be considered at the 2017 annual meeting, stockholder nominations for the Board of Directors must be submitted in writing and received by our Secretary at the executive offices of the Company during the period beginning on February 4, 2017 and ending May 5, 2017, and must contain the information specified by and otherwise comply with the terms of our Bylaws. Any stockholder wishing to receive a copy of our Bylaws should direct a written request to our Secretary at the Company s principal executive offices.

No nominees for election to the Board at our 2016 annual meeting of stockholders were submitted by stockholders or groups of stockholders owning more than 5% of our Common Stock.

Executive Committee

The principal function of our Board s Executive Committee is to exercise all of the powers of the Board to direct our business and affairs between meetings of the Board, except that the Executive Committee may not amend our Certificate of Incorporation or Bylaws, adopt an agreement of merger or consolidation under Delaware law, recommend the sale of all or substantially all of our assets or recommend the dissolution of the Company or the revocation of a dissolution. In addition, unless authorized by resolution of our Board of Directors, the Executive Committee may not declare a dividend, authorize the issuance of stock or adopt a certificate of ownership and merger under Delaware law.

Compensation Committee Interlocks and Insider Participation

No member of our Compensation Committee had a relationship during the fiscal year ended March 31, 2016 that requires disclosure as a Compensation Committee interlock.

How to Contact Our Board

Shareholders and other interested parties can communicate directly with our Board, a committee of our Board, our independent directors as a group, our Chairman of the Board or any other individual member of our Board by sending the communication to Eagle Materials Inc., 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487, to the attention of the director or directors of your choice (e.g., Attention: Chairman of the Board of Directors or Attention: All Independent Directors, etc.). We will relay communications addressed in this manner as appropriate. Communications addressed to the attention of the entire Board are forwarded to the Chairman of the Board for review and further handling.

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EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

The following list sets forth the names, ages as of the date of this proxy statement and principal occupations of each person who was an executive officer of the Company during the fiscal year ended March 31, 2016 and who is not also a member of our Board. Except as noted below, all of these persons have been elected to serve until the next annual meeting of our Board or until their earlier resignation or removal.

Name	Age	Title
D. Craig Kesler	40	Executive Vice President Finance and Administration and Chief Financial Officer (has held current office since August 2009; Vice President Investor Relations and Corporate Development from March 2005 through August 2009; Audit Manager with Ernst & Young LLP from April 2002 through September 2004).
Michael Haack	43	Executive Vice President and Chief Operating Officer (has held current office since December 2014; Mr. Haack was employed at Halliburton Energy Services for the 17 years prior to joining the Company, most recently as Global Operations Manager at Halliburton s Sperry Drilling division).
Gerald J. Essl	66	Executive Vice President Cement (has held current office since April 2016; Executive Vice President Cement/Aggregates and Concrete from January 2003 through March 2016; President of Texas Lehigh Cement Company from 1985 through December 2002).
Keith W. Metcalf	58	President American Gypsum Company LLC (has held current office since April 2016; Executive Vice President of Sales & Marketing from January 2016 through March 2016; Senior Vice President of Sales & Marketing from July 2009 through December 2015; and Vice President of Sales, Marketing & Distribution from May 2001 through June 2009).
James H. Graass	58	Executive Vice President, General Counsel and Secretary (Executive Vice President and General Counsel since November 2000; Mr. Graass was named Secretary of the Company in July 2001).
Robert S. Stewart	62	Executive Vice President Strategy, Corporate Development and Communications (has held current office since August 2009; Senior Vice President of Centex Corporation from 2000 through August 2009).
William R. Devlin	50	Senior Vice President, Controller and Chief Accounting Officer

		(has held current office since August 2009; Vice President and Controller from October 2005 through August 2009; Director of Internal Audit from September 2004 through September 2005; Senior Manager with PricewaterhouseCoopers LLP from July 1999 through August 2004).
Rahul Desai	51	Senior Vice President Cement (has held current office since April 2016; Vice President Cement from October 2013 through March 2016; Plant Manager Sugar Creek from November 2012 through September 2013; Mr. Desai was employed in various operational roles within Lafarge, S.A. over the 16 years prior to the Company s acquisition of the Sugar Creek plant).
Steven R. Rowley	63	Retired President and Chief Executive Officer (retired on March 31, 2016 from the position of President, CEO and director that he had held since September 2003).

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management, which has the responsibility for preparing the Compensation Discussion and Analysis. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee

Ed H. Bowman, *Chairman*

F. William Barnett

Michael R. Nicolais

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Our Strong Performance

Because Eagle Materials operates in highly cyclical industries, our performance relative to our industry peers is a critical consideration when evaluating management performance. Peer comparisons help to distinguish the effects of management performance from the more general effects of business cycle trends, thereby providing important information that has bearing on management rewards. For purposes of the discussion that follows, our direct peers are three domestic public company competitors, our industry peers are the direct peers plus international industry participants, and our compensation peers are the direct peers plus supplemental peers, in each case as described more fully in the Market Comparisons section below.

The Compensation Committee believes that certain operational/financial metrics, including those that are relevant to a company s position as a low-cost producer, are important to maintaining a long-term competitive advantage in commodity businesses like those in which Eagle participates and are key factors in assessing the Company s performance against its industry peers. In line with our belief, in setting compensation for our fiscal year ended March 31, 2016, our Compensation Committee reviewed (at the beginning of such fiscal year) the Company s performance against its industry peers using several different metrics, including net income growth (five-, three- and one-year), revenue growth (five-, three- and one-year), return on equity (five-, three- and one-year), return on assets (five- and three-year), earnings per share, return on total capital (ten-, five- and three-year) and total shareholder return (twenty-, ten-, five-, three- and one-year). ***The Company outperformed all of the industry peer group in 13 of the 20 categories and was above the median in all of the remaining categories.***

Our Compensation Practices

Pay-for-performance is a longstanding core tenet of our compensation philosophy and one of the keys to Eagle s long-term success. For years, our executive compensation programs have incorporated pay-for-performance and many other compensation best practices, including the following:

No employment agreements with our executives.

No tax gross-up agreements with our executives.

No defined benefit plans are provided to our executives.

Our incentive plan prohibits the re-pricing of options.

A substantial portion of our annual long-term compensation awards are performance-based.

Our executives are provided very limited perquisites.

The benefits provided to our executives under the defined contribution Profit Sharing and Retirement Plan are determined on the same basis as the benefits provided all salaried employees.

Our stock ownership guidelines require management to align their long-term interests with those of our stockholders.

Under our insider trading policy, employees and executives are prohibited from speculating in our securities or engaging in transactions designed to hedge their ownership interests.

At Eagle Materials, we do not view our employees as merely an expense of the Company. Instead, we strive to invest in our people and their futures as a means of delivering more long-term value to our stockholders and customers.

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Fiscal 2016 Compensation Highlights

The following highlights of our executive compensation program in fiscal 2016 exemplify our long-standing commitment to sound compensation practices, including pay-for-performance.

The base salaries for fiscal 2016 for our Named Executive Officers, or NEOs, are on average between the median and the 75th percentile base salary of our compensation peer group.

Approximately half of the total compensation of our NEOs, on average, for fiscal 2016 was performance-based (annual cash incentive bonus and performance-based restricted stock).

100% of our cash annual incentive bonus for our NEOs (other than Mr. Haack) for fiscal 2016 was performance-based in that the bonus pool amount is tied to, and varies with, our operating earnings. Mr. Haack s annual bonus potential was established at the time of his hiring as up to 200% of his base salary, with a target of 100%. Cash annual incentive bonuses were structured in all cases so that they could be adjusted downward by the Compensation Committee at the end of the fiscal year based on an individual NEO s performance.

50% of the value of our annual long-term awards made to NEOs during fiscal 2016 was in the form of performance-vesting restricted stock. These grants were to be earned if the Company attained a target level average return on equity for the fiscal year ended March 31, 2016. In the event the performance target was satisfied, each NEO s grant was structured so that it could be adjusted downward by the Compensation Committee at the end of the fiscal year based on an individual NEO s performance.

In May 2016, the Compensation Committee determined that the Company s return on equity was approximately 82% of the maximum performance level (or approximately 95% of the target performance level), and the number of earned shares was determined accordingly. The Committee did not exercise negative discretion with respect to any NEO s earned shares. All unearned restricted shares were forfeited. One fifth of the earned restricted shares vested upon the certification by the Compensation Committee, and the remaining shares will vest ratably on March 31 of 2017, 2018, 2019 and 2020 (assuming continued service by the relevant officer).

50% of the value of our annual long-term awards made to NEOs during fiscal 2016 was in the form of time-vesting stock options. One-third of the stock options vested in June 2016, one-third will vest in June 2017 and one-third will vest in June 2018 (assuming continued service by the relevant officer). Eagle views time-vesting stock options as pay-for-performance awards because they are of value only if and to the extent that the share price at the time of exercise exceeds the market price on the date of grant executives receive nothing if the price of our stock does not rise above the exercise price.

Some key features of the fiscal 2016 compensation for Steven Rowley, our CEO who retired effective at the close of business on March 31, 2016:

In January 2016, the Company announced Mr. Rowley s pending retirement after 25 years of continuous service to the Company. The Board determined that this would constitute a Board-approved retirement from service, and therefore, pursuant to the terms of the award agreements, Mr. Rowley s outstanding restricted stock awards and a long-term cash award would accelerate vesting upon retirement, and his outstanding stock options would survive for two years following retirement. The value of these retirement-related incentive compensation items is reflected in the fiscal 2016 compensation for Mr. Rowley in the Summary Compensation Table on page 36 of this proxy statement.

Almost all of the increase in Mr. Rowley s total compensation from fiscal 2015 to fiscal 2016 is attributable to the value of the retirement-related matters noted above.

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Some key features of the fiscal 2017 compensation for David B. Powers, our Executive Vice President Gypsum who was promoted to President and CEO upon Mr. Rowley s retirement:

Mr. Powers s base salary for fiscal 2017 has been set at $800,000 (as opposed to $940,000 for Mr. Rowley in fiscal 2016).

Mr. Powers s percentage of the Eagle annual incentive pool (which will be funded at the end of fiscal 2017 with a percentage of the Company s operating earnings) has been set at 24% (as opposed to 40% for Mr. Rowley in a similar pool in fiscal 2016).

Mr. Powers s long-term incentive award for fiscal 2017 had a grant date fair value of $2,500,000 (as opposed to $3,000,000 for Mr. Rowley in fiscal 2016).

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Advisory Vote on Executive Compensation

At the 2015 Annual Meeting of Stockholders, the Company s stockholders voted to approve a non-binding advisory resolution approving the compensation paid to our Named Executive Officers as disclosed in the proxy statement for the 2015 Annual Meeting of Stockholders. The vote was 98.46% in favor, 1.50% against (with 0.03% abstaining). In light of the significant stockholder support of the executive compensation program, no substantive changes were made to the executive compensation program for fiscal 2016 (our fiscal year ended March 31, 2016) as a result of the stockholder vote.

The Compensation Committee is firmly committed to providing its executives with compensation opportunities that are tied to Company performance and stockholder value creation. We encourage you to review the complete description of the Company s executive compensation program prior to casting your vote on this year s say-on-pay advisory vote proposal (Proposal No. 2).

Named Executive Officers

This Compensation Discussion and Analysis is intended to provide investors with a more complete understanding of our compensation policies and decisions during fiscal 2016 for the following persons who were Named Executive Officers during such fiscal year:

Steven R. Rowley	President and Chief Executive Officer (retired March 31, 2016)
D. Craig Kesler	Executive Vice President Finance and Administration and Chief Financial Officer
Michael Haack	Executive Vice President and Chief Operating Officer
Gerald J. Essl	Executive Vice President Cement/Aggregates and Concrete
David B. Powers	Executive Vice President Gypsum (promoted to President and Chief Executive Officer on March 31, 2016)

Transitions Involving Our Named Executive Officers

At the end of fiscal 2016, we experienced some transitions involving our Named Executive Officers. Effective at the close of business on March 31, 2016, Mr. Rowley retired from the Company, resigning his positions as President and Chief Executive Officer and as a member of our Board of Directors. In connection with Mr. Rowley s retirement, the Company entered into a Retirement and Consulting Agreement with Mr. Rowley, as discussed in greater detail below under the heading Retirement of Chief Executive Officer. Effective at the time of Mr. Rowley s retirement, Mr. Powers was appointed President and Chief Executive Officer, and Mr. Powers was appointed as a Class I director on our Board of Directors. Compensation arrangements with respect to Mr. Powers for fiscal 2017 are detailed below under the heading Compensation of New Chief Executive Officer.

Compensation Philosophy

Our compensation philosophy is based on the principles that executive compensation should:

Align the interests of our executives with those of our stockholders,

Reflect the Company s performance as well as the executive s individual performance,

Motivate management to achieve the Company s operational and strategic goals,

Reward performance by both our executives and the Company relative to our peers performance in light of business conditions, and

Be designed to attract, retain and motivate highly qualified and talented executives over time.

We believe that a significant portion of an executive s compensation should be at risk that is, dependent upon our operational and financial performance and the individual s performance. The key features of our executive compensation program include the following:

(1) We seek to align the interests of executives with those of our stockholders by:

Creating a direct and substantial link between the executive s annual cash incentive bonus and our annual operating earnings,

Structuring long-term compensation as predominantly equity awards, so that executives have an appropriate incentive to contribute to the creation of long-term stockholder value, and

Requiring executives to meet stock ownership guidelines that will result in each executive holding a meaningful equity stake in the Company.

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(2) We seek to encourage improved performance by:

Basing our annual incentive bonus on both our earnings and individual performance, and

Tying the vesting of a substantial portion of our equity-based awards to the achievement of financial goals.

To achieve our compensation objectives for fiscal 2016, our executive compensation program used a combination of short-term and long-term elements: (1) annual salary, (2) annual incentive bonus, and (3) long-term incentive compensation in the form of stock options and restricted stock. Each element of long-term and short-term compensation is discussed more fully below under the heading Elements of Executive Compensation.

No Employment Agreements; No Change-in-Control Agreements. We do not currently have employment agreements or change-in-control agreements with any Named Executive Officer; however, under the terms of our award agreements, unvested equity awards become fully vested and exercisable in the event of a change in control. See Change in Control Benefits below. Also, at the time of Mr. Haack s hiring, we agreed to pay Mr. Haack a $500,000 severance payment if his employment is involuntarily terminated by the Company between December 1, 2015 and December 1, 2016.

Compensation Risk

Although a significant portion of potential compensation to our executive officers is performance-based, we do not believe that our compensation policies, principles, objectives and practices are structured to promote inappropriate risk taking by our executives. We believe that the focus of our overall compensation program encourages management to take a balanced approach that focuses on increasing and sustaining our profitability. See Board Leadership Structure and Role in Risk Oversight Risk Assessment in Compensation Programs above.

Role of the Compensation Committee and Management in Executive Compensation

Our Compensation Committee has certain duties and responsibilities relating to the compensation of the CEO and the other senior executive officers. See Board Committees Compensation Committee above. The senior executive officers include all of the Named Executive Officers. In particular, the Compensation Committee is charged with the responsibility to:

Review and make recommendations regarding our general compensation philosophy and structure,

Annually review and approve corporate goals and objectives relevant to the compensation of our CEO,

Evaluate our CEO s performance in light of such goals and objectives,

Set the salary and other cash and equity compensation for our CEO based on such evaluation,

Review and approve the compensation of our other senior executive officers,

Administer each of our plans for which our Compensation Committee has administrative responsibility,

Grant cash awards (including annual incentive bonuses) under our annual bonus programs and equity awards (including options, restricted stock and restricted stock units) under our long-term Incentive Plan to our officers and other key employees,

Review and recommend to the Board the compensation of our non-employee directors, and

Recommend to the Board stock ownership guidelines for our executive officers.

The Compensation Committee consists solely of directors who are independent under the NYSE listing standards (including the enhanced independence requirements for compensation committee members) and Section 162(m) of the Internal Revenue Code, and who are non-employee directors under Rule 16b-3 of the Exchange Act. The Compensation Committee is authorized to hire such outside advisors as it deems appropriate. The Compensation Committee s charter may be found in the Investor Relations/Corporate Governance section of our website *www.eaglematerials.com*.

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The Compensation Committee sets compensation for the Named Executive Officers on an annual basis. In general, the process for setting compensation involves the following steps:

As early as practicable after the beginning of each fiscal year, the Compensation Committee determines (1) the salary of each Named Executive Officer for such fiscal year, (2) the overall size of the annual incentive bonus pools based on operating earnings in which the Named Executive Officers will have the opportunity to participate during such year and the percentage of the pool assigned to each Named Executive Officer, (3) whether the Compensation Committee will make any long-term incentive compensation awards in such fiscal year, (4) if the Compensation Committee decides to make long-term compensation awards for such fiscal year, the nature of and terms applicable to such awards, including the form any such awards will take (e.g., options, restricted stock, restricted stock units and/or cash), the individual grant date fair value for awards to be made to each Named Executive Officer, the performance- or time-vesting criteria (or both) that will apply to any such awards, and the exercisability or payment schedules that will apply to any such awards if the performance criteria are satisfied, and (5) the Eagle Materials Special Situation Program for such fiscal year and the overall funding levels for such program based on operating earnings. For fiscal 2016, the Compensation Committee made these determinations at five separate meetings held in May and June 2015.

After the end of the fiscal year, the Compensation Committee (1) reviews and approves the annual incentive bonus pools, (2) determines the extent to which the performance criteria for the prior fiscal year applicable to any long-term incentive awards were satisfied, (3) determines the amount of the downward adjustment, if any, to be made to the annual incentive bonus payment to each Named Executive Officer based on individual performance, and (4) if applicable, makes awards under the Eagle Materials Special Situation Program. The Compensation Committee made these determinations for fiscal 2016 at a meeting held in May 2016.

Our CEO participates to a certain extent in the administration of our compensation program for Named Executive Officers, other than himself. At the end of each fiscal year, the CEO provides input to the Compensation Committee on the performance of each of the other Named Executive Officers and recommends compensation adjustments (salary adjustments for the current fiscal year, any downward adjustments to annual incentive bonus levels for the recently completed fiscal year, and annual incentive bonus levels for the current fiscal year) and, if applicable, long-term incentive award levels for such Named Executive Officers. The CEO also provides input on the structure of our long-term incentive awards (if any) for such Named Executive Officers, including the long-term incentive award levels and the performance or other criteria that determine vesting and other terms and conditions applicable to the awards. The Compensation Committee considers the CEO s input, along with other information presented by its compensation consultants or otherwise available to it, in making its final compensation decisions with respect to the Named Executive Officers.

Engagement of a Compensation Consultant

In early 2015, the Compensation Committee again retained Longnecker & Associates (L&A), an independent compensation consulting firm based in Houston, Texas, to review levels and incentive components of our executives compensation in an effort to align the compensation of our officers competitively with the market. The primary role of L&A was to provide the Compensation Committee with market data and information regarding compensation trends in our industry and to make recommendations regarding base salaries, the design of our incentive programs and executive compensation levels. Our management did not direct or oversee the retention or activities of L&A with respect to our executive compensation program. L&A also provided assistance in reviewing this Compensation

Discussion & Analysis. The Compensation Committee has assessed the independence of L&A pursuant to SEC and NYSE rules and concluded that no conflict of interest exists that would prevent L&A from independently advising the Compensation Committee.

Market Comparisons

The data used by L&A in its survey of the compensation peer group, which we refer to as our compensation study, was weighted so that 50% was from published surveys from Towers Watson, ERI and Mercer, and 50% was from disclosure in compensation peer group proxy statements.

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Compensation Peers

At the beginning of fiscal 2016 (spring of 2015) the Compensation Committee engaged L&A to review the Company s current peer group for appropriateness and provide recommendations for any additional peers to be included. L&A analyzed the Company s peer group and potential additional companies based on (1) other similar companies within similar industries, (2) revenue, (3) market capitalization, (4) enterprise value, (5) EBITDA, (6) assets, and (7) companies in energy services related industries. Based on this analysis, L&A recommended removal of the following peers used in fiscal 2015: Texas Industries Inc. (merged with Martin Marietta Materials Inc.); Packaging Corp. of America (too large by several metrics); Intrepid Potash, Inc. (too small by several metrics); and Quaker Chemical Corporation (too small by several metrics). L&A recommended the addition of the following companies to the peer group: Newpark Resources; U.S. Silica Holdings; Lennox International, Inc.; KapStone Paper and Packaging Corporation; and Silgan Holdings Inc. Based on L&A s recommendation, the Compensation Committee utilized the following 13-company peer group in analyzing fiscal 2016 compensation (compensation peer group):

Company Name	Ticker	Business Description
Armstrong Worldwide Industries, Inc.	AWI	Designs, manufactures and sells flooring products and ceiling systems.
EnPro Industries, Inc.	NPO	Designs, develops, manufactures and markets engineered industrial products.
Globe Specialty Metals, Inc.	GSM	Produces and sells silicon metal and silicon-based alloys.
James Hardie Industries plc	JHX	Manufactures and sells fiber cement products for interior and exterior building construction applications.
KapStone Paper and Packaging Corporation	KS	Manufactures and sells containerboard, corrugated products and specialty paper for industrial and consumer markets.
Lennox International Inc.	LII	Manufactures climate controlled products for end markets similar to those for some of the Company s products.
Louisiana-Pacific Corp.	LPX	Manufactures and distributes building products for new home construction, repair and remodeling, manufactured housing, and light industrial and commercial construction.
Martin Marietta Materials Inc.*	MLM	Produces and sells aggregates for the construction industry.
Newpark Resources, Inc.	NR	Provider of value-added drilling fluids systems and composite matting systems used in oilfield and other commercial markets.
Silgan Holdings, Inc.	SLGN	Manufactures and sells packaging for consumer goods products worldwide.
USG Corporation*	USG	Manufactures and distributes gypsum wallboard and a wide range of related building materials.
U.S. Silica Holdings, Inc.	SLCA	Domestic producer of commercial silica, a specialized mineral that is a critical input into a variety of end markets, including oil and gas proppants.
Vulcan Materials Company*	VMC	

	Produces and sells construction aggregates: primarily crushed stone, sand and gravel.

* Direct peer.

This peer group includes three domestic public company competitors, which we refer to as our direct peers. None of the direct peer companies operates in all of our segments, however. The other companies listed above are referred to as our supplemental peers and include companies in related industries. We refer to our direct peers and our supplemental peers together as our compensation peers.

L&A delivered its compensation peer analysis report to the Compensation Committee in March 2015, utilizing trailing 12 months financials for revenue, assets and net income as of March 1, 2015, and market capitalization and enterprise value as of March 1, 2015. The Company s ranking in each of the categories utilized by L&A was as follows: revenue (14th percentile); assets (36th percentile); net income (70th percentile); market capitalization (64th percentile); enterprise value (52nd percentile); and EBITDA (39th percentile). Overall, the Company ranked at the 46th percentile on average across the six financial measures.

We are aware that institutional shareholder advisors, such as Institutional Shareholder Services, Glass Lewis and others, utilize methodologies to determine peer groups that may differ from our process. We believe that the methodologies they use may result in a peer group that does not provide a close fit for Eagle. For example, if the institutional shareholder advisor relies upon GICS codes to identify potential peers, the resulting peer group would include many companies whose operations are dissimilar to ours. Additionally, if the institutional shareholder advisor constructs a peer group based solely on revenues, the resulting peer group can create a poor fit for two reasons. First, because of accounting rules we are unable to include our 50/50 Texas Lehigh joint venture s revenues in our revenue line item we instead account for that entity in a separate line item valuing the equity interest in an unconsolidated joint venture. Our revenue is, in effect, understated. Second, in our industry, with large up-front capital projects, we believe that cash flow and earnings are more important than revenues when evaluating peers. For these reasons and in light of the peer analysis described above, we believe that the compensation peer group identified by our Compensation Committee for fiscal 2016 provides a more appropriate and meaningful basis for assessing our executive compensation.

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Industry Peers

Because Eagle Materials operates in highly cyclical industries, the Compensation Committee believes that reviewing our performance relative to our industry peers is a critical consideration when evaluating management performance. Such peer comparisons help to distinguish the effects of management performance from the more general effects of business cycle trends, thereby providing important information bearing on management rewards. This peer group, which we refer to as our industry peers, was constructed by L&A with input from management and is comprised of the direct peers noted above, plus the following international industry participants: Titan Cement Co. S.A., CRH plc, Buzzi Unicem S.p.A., Holcim Ltd., HeidelbergCement AG, Lafarge S.A., Cementos Bio-Bio S.A., Cementos Portland Valderrivas S.A., Cemex S.A.B. de C.V., Italcementi S.p.A., Cementos Argos S.A., and Headwaters Incorporated. In May 2015, L&A presented the Compensation Committee with the Company s performance results against this industry peer group as part of its compensation decision-making. The Compensation Committee reviewed the Company s performance in the following 20 categories, in each case against the entire industry peer group (all measures utilized financial data available on May 1, 2015):

Net income growth (five-, three- and one-year)

Revenue growth (five-, three- and one-year)

Return on equity (five-, three- and one-year)

Return on assets (five- and three-year)

Earnings per share

Return on total capital (ten-, five- and three-year)

Total stockholder return (twenty-, ten-, five-, three- and one-year)

The Company outperformed all of the industry peer group in 13 of the 20 categories and was above the median in all of the remaining categories. The Compensation Committee used the survey of the compensation peer group prepared by L&A, which we refer to as our compensation study, and the performance comparisons to the industry peers prepared by L&A, which we refer to as our industry performance study, as reference points in establishing the main components of Named Executive Officer compensation: salaries, annual incentive bonus opportunity and long-term compensation awards.

Retirement of Chief Executive Officer

On January 25, 2016, the Company announced that Mr. Rowley had decided to retire as an officer and director of the Company effective at the end of the fiscal year. Mr. Rowley provided 25 years of continuous service to the Company, including as CEO since 2003. Mr. Rowley led the doubling of the scale of the Company s cement business and guided

the Company s gypsum wallboard business in achieving its current nation-wide scope. Mr. Rowley successfully led the Company through the longest and most challenging construction market down-cycle in U.S. history and was leaving the Company with a healthy balance sheet. In light of these and other factors, the Board formally determined that Mr. Rowley s resignation would be a retirement from service.

In connection with Mr. Rowley s retirement as our President and Chief Executive Officer, the Company entered into a Retirement and Consulting Agreement with Mr. Rowley on January 25, 2016 that set forth the terms of his retirement and provided for the engagement of Mr. Rowley to act as a consultant for the Company during a two-year period commencing on April 1, 2016 and ending, unless earlier terminated, on March 31, 2018 (Consulting Period). The principal terms of the Retirement and Consulting Agreement, including the amounts payable to him thereunder, are as follows:

Mr. Rowley confirmed his resignation as an officer and director of the Company as of the close of business on March 31, 2016 (the Retirement Date).

Mr. Rowley received certain retirement compensation related to his services as President and Chief Executive Officer of the Company, including (i) payment of his base salary through the Retirement Date, (ii) payment of his annual incentive award for the Company s fiscal year ended March 31, 2016 under the Eagle Annual Incentive Program, (iii) retention of certain equity-based awards granted to him as described more fully below, and (iv) continuation of medical and dental coverage under the Company s medical and dental plans during the Consulting Period.

By virtue of the Board s determination that Mr. Rowley s resignation would be a retirement from service and, in the case of two awards, as a result of the amendment and other actions described below:

Stock options granted to Mr. Rowley will, in accordance with the terms of the applicable award agreement, continue to vest and be exercisable for a period of two years after the Retirement Date (or, if shorter, the

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exercise period specified in the applicable award agreement) as opposed to a typical 90-day survival period when an employee leaves the Company. In the case of one stock option award, the Company amended the existing option terms in order to permit Mr. Rowley to exercise the stock options during such two-year period.

Restricted stock awarded to Mr. Rowley were, to the extent previously earned but unvested in accordance with the terms of the applicable award agreement, accelerated to provide for full vesting of such earned shares as of the Retirement Date. In addition, in the case of the restricted stock award made to Mr. Rowley on June 10, 2015 (the 2015 Restricted Stock Award), the Compensation Committee exercised its discretion under our Incentive Plan to vest such shares such that the 2015 Restricted Stock Award became 100% vested as of the Retirement Date.

The cash award granted to Mr. Rowley under the Company s Long-Term Cash Compensation Program for Fiscal Year 2013 was, to the extent previously earned but unvested in accordance with the terms of the program, fully vested and paid out in connection with his retirement.

Mr. Rowley agreed to provide consulting services to the Company during the Consulting Period. During this period, Mr. Rowley will provide services with regard to matters affecting the Company or any of its affiliates in order to assist the Company or any of its affiliates in the conduct of their businesses and operations and management of their affairs. In exchange for these consulting services, the Company will pay Mr. Rowley a consulting fee in the amount of $100,000 per month, together with reimbursement of expenses.

Mr. Rowley will be subject to non-competition and non-solicitation covenants during the Consulting Period, as well as to non-disparagement and confidentiality covenants.

Mr. Rowley will continue to be covered by the Company s directors and officers insurance policies and other indemnification arrangements that the Company has in place for its directors and executive officers.

Mr. Rowley released the Company, as of the Retirement Date, from certain claims, causes of action, rights, liabilities, losses, damages or charges relating to his prior employment or separation from service.

In connection with the January 2016 determinations above that resulted in the retirement-related acceleration of the vesting of Mr. Rowley s restricted stock and long-term cash and the survival of his outstanding options for two years following retirement, the Compensation Committee considered that the Company would incur additional compensation expense of $874,847, which was recognized in the fourth quarter of our fiscal year. This amount is less than the total fair value of these items (which is reflected in Mr. Rowley s fiscal 2016 compensation in the Summary Compensation Table on page 36 of this proxy statement) because the Company had previously expensed a substantial portion of the awards that were accelerated or extended.

Elements of Executive Compensation

In addition to the health benefit plans and programs generally available to all employees, our executive compensation program includes the following elements:

- Base salary
- Annual incentive bonus
- Long-term incentive compensation
- Salary continuation plan

Base Salary

Salaries of the Named Executive Officers are reviewed annually as well as at the time of a promotion or significant change in responsibilities. As described above, the Compensation Committee engaged L&A to conduct the compensation study at the beginning of fiscal 2016. The Named Executive Officer base salaries for fiscal 2015 (which was the data reviewed in the L&A compensation study) were on average aligned with the median of the salary levels for the equivalent positions at the companies reviewed in the compensation peer group in the compensation study. The fiscal 2016 base salaries for the Named Executive Officers were set as follows: Mr. Rowley - $940,000; Mr. Kesler - $400,000; Mr. Haack - $515,000; Mr. Essl - $397,580; and Mr. Powers - $397,580. Considerations that may influence the salary level for a Named Executive Officer include individual performance, the Named Executive Officer s skills or experience, our operating performance and the nature and responsibilities of the position. Following the base salary adjustments, the salaries of the Named Executive Officers were, on average, between the median and the 75th percentile of the L&A compensation study.

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Annual Incentive Bonus

The Compensation Committee is responsible for approving the annual incentive bonus for our CEO and the other Named Executive Officers. Annual incentive bonuses paid to our Named Executive Officers (other than Mr. Haack) for fiscal 2016 were made under (1) the Eagle Materials Inc. Salaried Incentive Compensation Program for Fiscal Year 2016, which we refer to as the Eagle Annual Incentive Program, (2) annual incentive compensation programs for fiscal 2016 established for particular operating divisions of the Company, which we refer to as Divisional Annual Incentive Bonus Programs, and (3) the Eagle Materials Inc. Special Situation Program for Fiscal Year 2016, which we refer to as the SSP. In general, the Named Executive Officers whose responsibilities extend to the Company as a whole (Messrs. Rowley and Kesler) participate in the Eagle Annual Incentive Program, and the Named Executive Officers whose responsibilities relate primarily to a particular operating division (Messrs. Essl and Powers) participate in relevant Divisional Annual Incentive Bonus Programs. All of our Named Executive Officers are eligible to participate in the SSP. These incentive programs were structured to create financial incentives and rewards that are directly related to corporate performance and the participating Named Executive Officer s individual performance during the fiscal year.

The Compensation Committee believes these programs are consistent with our compensation philosophy in that they place a significant portion of the executive s compensation at risk. Generally, under these programs, a significant portion of the executive s total compensation is dependent upon the performance of the Company (or our operating divisions) as well as the individual s performance. The Company s annual incentive bonus programs also reflect the Committee s philosophy of aligning the interests of our executives with those of the shareholders. These programs create this alignment by providing that an officer s annual bonus potential varies directly with our operating earnings (in the case of the Eagle Annual Incentive Plan) or the operating earnings of a division (in the case of a Divisional Annual Incentive Bonus Program). Although individual performance and achievement of goals (as discussed in more detail below under Annual Performance Evaluation) affect the actual incentive bonus amount, our programs are structured in such a way that the executive officer s incentive bonus potential can vary considerably as operating earnings change from year to year.

Mr. Haack s annual bonus potential was established at the time of his hiring as up to 200% of his base salary, with 100% as a target.

Eagle Annual Incentive Program

For fiscal 2016, Messrs. Rowley and Kesler were participants in the Eagle Annual Incentive Program. Under this program, during the first quarter of each fiscal year, a percentage of our operating earnings is designated by the Compensation Committee as a pool for bonuses, and each participating Named Executive Officer is assigned a share of such pool, representing the executive s maximum bonus opportunity. At the end of the fiscal year, the size of the pool is determined, based on the amount of operating earnings generated during such fiscal year, and annual incentive bonuses are paid to each participating executive in the form of a lump sum cash payment reflecting his share of the pool, subject to the exercise of negative discretion by the Compensation Committee to reduce (but not increase) the amount of the cash payment based on the executive s individual performance during the fiscal year. The amount of the annual incentive bonus paid to an executive is based on the level of our operating earnings, the share of the pool designated for such executive, and an assessment of such executive s individual performance.

In the first quarter of fiscal 2016, the Compensation Committee approved the designation of 1.35% of annual operating earnings for annual incentive bonuses for all executives participating in the Eagle Annual Incentive Program, including two of our Named Executive Officers. The Committee believes that operating earnings is an appropriate measurement for annual incentive bonuses because this measure is tied more closely to operations. The

bonus pool is not subject to a separate cap or maximum, but is merely a function of multiplying the pre-determined percentage by our operating earnings for the applicable fiscal year. At the end of fiscal 2016, the Compensation Committee determined that the aggregate amount available for the Eagle Annual Incentive Program for fiscal 2016 was $3,183,771. This pool amount was not quantifiable until the end of fiscal 2016 and includes amounts available for payment to officers and employees other than the participating Named Executive Officers. In setting the percentage of operating earnings which would fund the pool for the Eagle Annual Incentive Program, the Compensation Committee considered several factors, including our compensation philosophy that a significant portion of the executive s compensation should be at risk and subject to the Company s success (level of operating earnings).

In May 2015, the Compensation Committee set the annual incentive bonus potential for the participants in the Eagle Annual Incentive Program. In allocating the pool, the Compensation Committee considered the amount of annual incentive bonus compensation payable to executives in other companies who fulfill similar roles as illustrated in the compensation study prepared by L&A, the share of the pool historically allocated to officers in such roles by the Company, Mr. Rowley s recommendation for each participant (other than himself), as well as the Compensation Committee s assessment of the executive s importance and contribution to the organization, the executive s importance in driving the achievement of Company goals and profitability, and the executive s level of responsibility. The Compensation Committee set the bonus potential for the participating Named Executive Officers as follows:

Mr. Rowley s annual incentive bonus potential was set at 40% of the bonus pool.

Mr. Kesler s annual incentive bonus potential was set at 16% of the bonus pool.

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Divisional Annual Incentive Bonus Programs

During fiscal 2016, each of Messrs. Essl and Powers participated in a Divisional Annual Incentive Bonus Program. Under these programs, a percentage of a division s operating earnings is allocated to the bonus pool and each participating employee is assigned a share of the pool, representing the employee s maximum bonus opportunity. At the end of the fiscal year, the size of the pool is determined and annual bonuses are paid to participating employees in the form of a lump sum cash payment in accordance with their shares of the pool, subject to the exercise of negative discretion by our CEO (or, in the case of bonuses paid to Named Executive Officers, the Compensation Committee) based on the employee s individual performance during the fiscal year.

Because of his responsibilities for our Cement and Concrete and Aggregates operations, Mr. Essl participated in both the Eagle Materials Inc. Cement Companies Salaried Incentive Compensation Program for Fiscal Year 2016 and the Eagle Materials Inc. Concrete and Aggregates Companies Incentive Compensation Program for Fiscal Year 2016. Under these programs, the bonus pools equaled 2.25% of each of our concrete and aggregates subsidiaries operating earnings for fiscal 2016 and 2.25% of each of our cement subsidiaries operating earnings for fiscal 2016 (or, in the case of our 50% owned cement joint venture, 2.25% of our portion of that entity s operating earnings for fiscal 2016), which in each case is also the same percentage the Compensation Committee has set for several years. In deciding to keep the percentage of operating earnings which would fund these bonus pools the same as the prior year, the Compensation Committee considered several factors, including our compensation philosophy that a significant portion of the executive s compensation should be at risk and subject to the Company s success (level of earnings).

For fiscal 2016, Mr. Powers participated in the Eagle Materials Inc. American Gypsum Company Salaried Incentive Compensation Program for Fiscal Year 2016. Under this program, the bonus pool equaled 2.25% of American Gypsum s operating earnings for fiscal 2016, which is the same percentage the Compensation Committee has set for several years. In deciding to keep the percentage of operating earnings which would fund these bonus pools the same as the prior year, the Compensation Committee considered several factors, including our compensation philosophy that a significant portion of the executive s compensation should be at risk and subject to the Company s success (level of earnings).

The divisional bonus pools are not subject to a separate cap or maximum, but are merely a function of multiplying the pre-determined percentage by the applicable operating earnings for the applicable fiscal year. The aggregate amounts available for these programs for fiscal 2016 were as follows: $2,279,147 (Cement); $248,645 (Concrete and Aggregates); and $3,674,095 (American Gypsum); which in each case was not quantifiable until the end of fiscal 2015 and includes amounts available for payment to officers and employees other than the Named Executive Officers. For comparison purposes, the equivalent amounts in fiscal 2015 were $1,677,236 (Cement); $188,822 (Concrete and Aggregates); and $3,334,795 (American Gypsum).

In May 2015, the Compensation Committee set the annual incentive bonus potential for Messrs. Essl and Powers under these Divisional Annual Incentive Bonus Programs. In determining their respective allocation of the pools, the Compensation Committee considered Mr. Rowley s recommendation, the amount of annual incentive bonus compensation payable to executives in other companies who fulfill similar roles as illustrated in the compensation study prepared by L&A, the portion of the pools historically allocated to their respective positions and the Compensation Committee s assessment of their importance and contribution to their respective divisions performance, their importance as an officer within their respective divisions in driving the achievement of divisional goals and profitability and their respective levels of responsibility. The Compensation Committee set Mr. Essl s annual incentive bonus potential at 20% of his divisional bonus pools, plus an amount equal to 20% of 2.25% of our half of Texas Lehigh s fiscal 2016 operating earnings, and the Compensation Committee set Mr. Powers s incentive bonus potential at 20% of his divisional bonus pool.

Fiscal 2016 Special Situation Program

In the first quarter of fiscal 2016 (May 2015), the Compensation Committee approved the SSP, which is a special annual incentive program intended to recognize outstanding individual performance during the fiscal year. The SSP also provides flexibility to reward performance when special circumstances arise in which our CEO determines that an individual has performed well but not been adequately compensated pursuant to other components of compensation, including without limitation instances where an individual s compensation has been adversely affected by market conditions such as a cyclical downturn or in recognition of transactions and events not contemplated at the time the Compensation Committee set compensation for the applicable year; provided, that awards to executive officers require Compensation Committee approval. Awards under the SSP are not predetermined for any individuals at the beginning of the fiscal year. All full-time employees of Eagle Materials Inc. or any of our subsidiaries are eligible to receive awards under this program. At the beginning of fiscal 2016, the Compensation Committee determined that 0.35% of our operating earnings for the ensuing fiscal year would fund the SSP, along with the portions of Eagle and subsidiary incentive compensation plans and subsidiary long-term cash compensation plans not paid out. In setting the percentage of operating earnings which would fund the SSP, the Compensation Committee considered several factors, including the anticipated operating earnings for fiscal 2016.

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Approving the Annual Incentive Bonus

In May 2016, the Compensation Committee approved the incentive bonus pools for fiscal 2016 for the Company and each Divisional Annual Incentive Bonus Program. In addition, at the end of fiscal 2016, Mr. Powers provided performance evaluations of each Named Executive Officer (other than himself) to the Compensation Committee, which evaluations included an assessment (both subjective and objective) of the achievement of their individual goals and objectives, along with his recommendation for the annual incentive bonus for each such Named Executive Officer. With respect to Mr. Powers himself, the Compensation Committee performed its own evaluation of his performance and the extent to which the goals and objectives established for him for fiscal 2016 had been achieved.

Mr. Rowley

Pursuant to the Retirement and Consulting Agreement between the Company and Mr. Rowley, upon the Compensation Committee s determination of the annual incentive bonus pool size for the Company, Mr. Rowley was entitled to receive 40% of the pool amount, which was his maximum bonus potential. The Compensation Committee approved an annual incentive bonus for Mr. Rowley under the Eagle Annual Incentive Program of $1,273,508, which is reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table located on page 36 of this proxy statement.

Mr. Kesler

At the end of fiscal 2016, Mr. Powers reviewed Mr. Kesler s performance with the Compensation Committee. Based in part on this review, the Compensation Committee determined that Mr. Kesler had met his goals and awarded Mr. Kesler 100% of his incentive bonus potential (which was 16% of the Company s incentive bonus pool funded with a portion of the Company s operating earnings). The Compensation Committee therefore approved an annual incentive bonus for Mr. Kesler under the Eagle Annual Incentive Program of $509,403, which is reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table located on page 36 of this proxy statement. In making this determination, the Compensation Committee used its judgment to determine the appropriate award level after taking into consideration Mr. Powers s input regarding Mr. Kesler s performance.

In addition, the Compensation Committee approved a cash award under the SSP to Mr. Kesler in the amount of $50,000. In making this discretionary award to Mr. Kesler, the Compensation Committee took into consideration the recommendation of Mr. Powers and Mr. Kesler s work managing the finance function of the Company. The SSP cash award to Mr. Kesler is reflected in the Bonus column of the Summary Compensation Table on page 36 of this proxy statement. Mr. Kesler did not receive an SSP award during the other years disclosed in the Summary Compensation Table.

Mr. Haack

At the end of fiscal 2016, Mr. Powers reviewed Mr. Haack s performance with the Compensation Committee. Based in part on this review, the Compensation Committee determined that Mr. Haack had met his goals and awarded Mr. Haack a bonus of 100% of his annual base pay, or $515,000, which is reflected in the Bonus column of the Summary Compensation Table located on page 36 of this proxy statement. In making this determination, the Compensation Committee used its judgment to determine the appropriate award level after taking into consideration Mr. Powers s input regarding Mr. Haack s performance.

Mr. Essl

At the end of fiscal 2016, Mr. Powers reviewed Mr. Essl s performance with the Compensation Committee. Based in part on this review, the Compensation Committee awarded Mr. Essl 99% of his incentive bonus potential and approved an annual incentive bonus for Mr. Essl under the Eagle Materials Inc. Cement Companies Salaried Incentive Compensation Program for Fiscal Year 2016 and the Eagle Materials Inc. Concrete and Aggregate Companies Incentive Compensation Program for Fiscal Year 2016 of $674,954, which is reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table located on page 36 of this proxy statement. In making this determination with regard to the non-quantitative portion of the goals, the Compensation Committee used its judgment to determine the appropriate award level after taking into consideration Mr. Powers s input regarding Mr. Essl s performance.

Mr. Powers

At the end of fiscal 2016, the Compensation Committee reviewed Mr. Powers s performance. Based on this review, the Compensation Committee awarded Mr. Powers 98% of his incentive bonus potential and approved an annual incentive bonus for Mr. Powers under the American Gypsum Salaried Incentive Compensation Program for Fiscal Year 2016 of $720,123, which is reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table located on page 36 of this proxy statement. In making this determination with regard to the non-quantitative portion of the goals, the Compensation Committee used its judgment to determine the appropriate award level after taking into consideration Mr. Powers s performance.

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In addition, the Compensation Committee approved a special cash bonus to Mr. Powers in the amount of $250,000. In making this discretionary award to Mr. Powers, the Compensation Committee did not apply any specific quantitative performance measures. The Compensation Committee took into consideration Mr. Powers s performance during the transition into his role as Chief Executive Officer following the announcement of Mr. Rowley s retirement in January 2016. The cash award to Mr. Powers is reflected in the Bonus column of the Summary Compensation Table on page 36 of this proxy statement.

Long-Term Incentive Compensation

Consistent with the Compensation Committee s philosophy of linking compensation to our performance, a significant portion of our long-term incentive compensation program for fiscal 2016 has been structured to link the vesting of equity awards to the achievement by the Company of specific performance levels. To enhance retention of key employees, once earned, the performance awards contain a further time-vesting component. Also, a portion of our long-term compensation program has been structures as purely time-vesting, which the Compensation Committee believes, based on the input of L&A, is more in-line with the practice of our peers.

Burn Rate

Our three-year average burn rate (a measure of historical dilution) is well below our industry norms. The Company s three-year average burn rate (which is based on the number of awards granted or, in the case of performance awards, awards earned in each fiscal year, divided by the weighted-average common shares outstanding for such fiscal year) is 1.07%. The 2016 benchmark for our industry published by ISS is 2.53%.

Grant Practice

All of the Named Executive Officers participate in our long-term incentive compensation program. In fiscal 2016, the Compensation Committee approved equity grants as described below. The date on which an equity award is granted is the date specified in the resolutions of the Compensation Committee authorizing the grant. The grant date must fall on or after the date on which the resolutions are adopted by the Committee. As provided in the Incentive Plan, for stock options, the exercise price is the closing price of our Common Stock on the grant date, as reported by the NYSE.

In addition, the Compensation Committee, as provided in our Incentive Plan, has delegated to the Special Situation Stock Option Committee (whose sole member is our CEO) the authority to grant stock options to newly-hired employees and newly-promoted employees, under terms set by the Compensation Committee. This authority for fiscal 2017, which expires on May 31, 2017, is limited to an aggregate of 60,000 option shares; no one individual may receive more than 15,000 option shares in a given year; and Section 16 reporting persons may not receive awards pursuant to this authority. Stock options granted under this delegation of authority vest 20% per year commencing on the first anniversary of the grant date. During fiscal 2016, 32,500 stock options were granted to employees under this authority out of a maximum of 60,000.

Fiscal 2016 Grants

In June 2015, the Compensation Committee made annual long-term incentive equity grants under our Amended and Restated Incentive Plan, which we refer to as our Incentive Plan. As part of the compensation study delivered to the Compensation Committee in April 2015, L&A had provided information regarding long-term compensation paid to the compensation peer group. In May 2015, L&A provided the Compensation Committee with a comparison of proposed fiscal 2016 long-term incentive values against the compensation peer group values from the compensation study. On average, the Named Executive Officer long-term incentive compensation was between the median and the

75th percentile of the compensation peer group. In determining the value of the equity to be granted, the Compensation Committee took into consideration the Company s strong performance relative to its industry peers as demonstrated in the L&A industry performance study (see Market Comparisons Performance Peers above), the L&A compensation study, Mr. Rowley s input (on all individuals other than himself), the Compensation Committee s assessment of the executive s importance and contribution to the organization, and the executive s level of responsibility.

The value granted was allocated 50% to performance-vesting restricted stock (with a Company financial metric as well as individual performance metrics) and 50% to time-vesting stock options. The Committee views time-vesting stock options as pay-for-performance because they are of value only if and to the extent that the share price at the time of exercise exceeds the price on the date of grant. Time-vesting awards further enhance retention of key employees. The Committee believes that the structure of the fiscal 2016 long-term compensation program is consistent with the Compensation Committee s philosophy of linking compensation to our performance.

Restricted Stock Grant

Effective June 10, 2015, the Compensation Committee approved restricted stock awards under the Incentive Plan to a group of key employees, including the Named Executive Officers. The awards are comprised of shares of restricted stock which were to vest based upon the achievement by the Company of a certain level of average return on equity for the fiscal year ended March 31, 2016, with 74% being earned if such ROE measure was at least 12.5%, and 100% being earned if such ROE measure was 17.5% or

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higher (with the exact percentage of shares earned being calculated based on straight-line interpolation between the points shown above with fractional points rounded to the nearest tenth of a percent). If the Company achieved an ROE measure of less than 12.5%, then none of the restricted stock award would be earned. If the Company performance vesting criterion were satisfied, then the Compensation Committee would have the ability to exercise negative discretion with regard to the award based on the employee s achievement of individual goals approved by the Compensation Committee at the time of the award. Following any such exercise of negative discretion, the restricted stock award was to become fully vested one-fifth promptly after the certification date and one-fifth on March 31 for each of the following four years (in each case assuming continued service through such dates). The terms and conditions of the restricted stock are substantially the same as the restricted stock grants made in fiscal 2015, except that the performance criterion is as described above. Any shares of restricted stock that were not earned at the end of fiscal 2016 (whether as a result of failing to achieve the Company s ROE measure or as a result of the Compensation Committee s exercise of negative discretion) were to be forfeited. As in the case of prior equity awards, the restricted stock will also vest upon a change in control of the Company. See Change in Control Benefits below.

The number of shares of restricted stock granted was determined by reference to the market price of our Common Stock on the date of grant. The following table shows the restricted stock granted to each of the Company s Named Executive Officers on June 10, 2015 (representing the maximum shares possible, or 115% of the target level of shares):

Name	Shares of Restricted Stock
Steven R. Rowley	21,151
D. Craig Kesler	5,288
Michael Haack	7,051
Gerald J. Essl	5,993
David B. Powers	5,993

Pursuant to the Retirement and Consulting Agreement, upon Mr. Rowley s retirement from the Company on March 31, 2016, the restrictions on his grant of 21,151 shares of restricted stock lapsed without regard to whether the performance criteria set forth therein had been satisfied.

In May 2016, the Compensation Committee certified that the Company s 14.1% average return on equity for the fiscal year ended March 31, 2016 (as defined in the award agreement) satisfied the Company s performance goal such that 82.3% of the shares granted (or 94.6% of the target number of shares) were earned. Any unearned shares of restricted stock were forfeited. The Committee then had the opportunity to exercise negative discretion based on the grantee s achievement of individual goals that had been previously established by the Committee. No such negative discretion was exercised by the Committee with respect to the Named Executive Officers. One-fifth of the earned restricted shares vested promptly after such certification date, and the remaining four-fifths will vest ratably on March 31 of 2017, 2018, 2019 and 2020 (in each case assuming continued service through such dates).

Stock Option Grant

Also effective June 10, 2015, the Compensation Committee approved stock option awards under the Incentive Plan to a group of key employees, including the Named Executive Officers. The awards are comprised of stock options which vest ratably over three years on June 10, 2016; June 10, 2017; and June 10, 2018 (in each case assuming continued service through such dates). The Compensation Committee believes that including time-vesting options as part of long-term compensation is consistent with competitive pay practices, preserves the Company s philosophy that a

significant portion of an executive s pay should be at risk, while at the same time creating a strong incentive for management to grow the Company.

The terms and conditions of the stock options are substantially the same as the stock option grants made in fiscal 2015, except that the options are time-vesting. As in the case of prior equity awards, the stock options will also vest upon a change in control of the Company. See Change in Control Benefits below. In accordance with the terms of the Incentive Plan, the exercise price of the stock options is the closing price of the Company s Common Stock on the date of grant, June 10, 2015 ($81.56).

The number of option shares granted to our Named Executive Officers was determined by valuing the options on the date of grant using the Black-Scholes method. The following table shows the stock options granted to each of the Company s Named Executive Officers on June 10, 2015:

Name	Number of Stock Options
Steven R. Rowley	60,577
D. Craig Kesler	15,145
Michael Haack	20,193
Gerald J. Essl	17,164
David B. Powers	17,164

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Profit Sharing and Retirement Plan

Each of the Named Executive Officers is a participant in our Profit Sharing and Retirement Plan, which we refer to as our PSRP. The PSRP is a qualified defined contribution plan covering substantially all salaried employees of the Company and our subsidiaries. Participants in this plan may elect to make pre-tax contributions of up to 70% of their base salary subject to the limit under Internal Revenue Code Section 402(g) (currently $18,000), employee after-tax contributions of up to 10% of base salary and, if the participant is at least age 50, catch-up contributions up to the statutory limit under Internal Revenue Code Section 414(v) (currently $6,000). In addition, the PSRP provides for a discretionary employer profit sharing contribution that is a percentage of base salary for the year. Participants are fully vested to the extent of their pre-tax and after-tax contributions and become vested in the employer profit sharing contribution over a six-year period (i.e., 20% per year beginning with the second year of service). All of the Named Executive Officers (other than Mr. Haack, who joined the Company in December 2014) have been employed by the Company or our affiliates long enough to be fully vested. Participants are entitled to direct the investment of contributions made to the PSRP on their behalf in various investment funds, including up to 15% in an Eagle Common Stock fund. Such amounts are payable upon a participant s termination of employment, disability or death in the form of a lump sum, installments or direct rollover to an eligible retirement plan, as elected by the participant. At the participant s election, amounts invested in the Common Stock fund are distributable in shares of our Common Stock. Employer profit sharing contributions made to the PSRP on behalf of our Named Executive Officers in fiscal 2016 are reflected in the Summary Compensation Table located on page 36 of this proxy statement. A list of the investment funds provided under the PSRP is provided in the footnotes to the Nonqualified Deferred Compensation Table located on page 42 of this proxy statement.

SERP

In fiscal 1995, the Board approved our Supplemental Executive Retirement Program, which we will refer to as our SERP, for certain employees participating in the PSRP. Internal Revenue Code Section 401(a)(17) limits the amount of annual compensation (currently $265,000) that may be considered in determining our contribution to the PSRP for the account of an eligible participant. The SERP was established to eliminate the adverse treatment that higher-salaried employees receive as a result of such limit by making a contribution for each participant in an amount substantially equal to the additional employer profit sharing contribution that he or she would have received under the PSRP had 100% of his or her base salary been eligible for a profit sharing contribution. As in the case of the PSRP, annual incentive bonuses paid to participants are not included when determining the amount of contributions to the SERP. The Compensation Committee believes that the SERP therefore allows us to confer the full intended benefit of the employer profit sharing contribution under the PSRP without the arbitrary limitation of the Internal Revenue Code rules noted above. Contributions accrued under the SERP for the benefit of the higher-salaried employees vest under the same terms and conditions as under the PSRP (i.e., over a six-year period) and may be invested by the participant in several of the same investment options as offered under the PSRP. Benefits under the SERP are payable upon the participant s termination of employment in a lump sum or installments as elected by the participant in accordance with the terms of the SERP, subject to the six month delay in payment for key employees under Internal Revenue Code Section 409A to the extent applicable. As with the PSRP, all of the Named Executive Officers (other than Mr. Haack, who joined the Company in December 2014) have been employed by the Company or our affiliates long enough to be fully vested. Employer contributions to the SERP of our Named Executive Officers in fiscal 2016 are reflected in the Summary Compensation Table located on page 36 of this proxy statement. A list of the investment funds provided under the PSRP is provided in the footnotes to the Nonqualified Deferred Compensation Table located on page 42 of this proxy statement.

Salary Continuation Plan

The Named Executive Officers, along with other officers and key employees, are participants in our Salary Continuation Plan, which we refer to as the SCP. Under this plan, in the event of the death of a participating employee, we will pay such employee s beneficiaries one full year of base salary in the first year following death and 50% of base salary each year thereafter until the date such employee would have reached normal Social Security retirement age, subject to a maximum amount of $1.5 million. Payments are made to the employee s beneficiary on a semi-monthly basis. The purpose of the plan is to provide some financial security for the families of the participating employees, which assists the Company in attracting and retaining key employees. Benefit amounts under the plan are intended to provide a basic level of support for beneficiaries. To cover these potential obligations, we pay the premiums on life insurance policies covering the life of each participating employee. Such policies are owned by the Company and proceeds from such policies would be initially paid to the Company. Premiums paid on policies covering our Named Executive Officers in fiscal 2016 are reflected in the Summary Compensation Table located on page 36 of this proxy statement. Amounts potentially payable to the beneficiaries of our Named Executive Officers pursuant to the SCP are described in Potential Payments Upon Termination or Change in Control beginning on page 43 of this proxy statement.

Compensation of New Chief Executive Officer

In connection with the Company s January 25, 2016 announcement that Mr. Rowley had decided to retire as an officer and director of the Company effective at the end of the fiscal year, the Company announced that Mr. Powers would be promoted to President and Chief Executive Officer effective upon Mr. Rowley s retirement at the close of business on March 31, 2016. A seasoned business leader with over 35 years of experience in the building materials industry, Mr. Powers had joined the Company in 2002 as Executive Vice President, Sales and Marketing. In 2005, he was promoted to his role as Executive Vice President for

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Gypsum and President of American Gypsum Company LLC. No changes were made to Mr. Powers s compensation at the time his promotion was announced. As noted above (and as is included in the Summary Compensation Table), at the end of fiscal 2016, the Compensation Committee awarded Mr. Powers a special bonus of $250,000 in connection with his performance transitioning into his new role as President and CEO.

As will be described in greater detail in next year s proxy statement, in May 2016, the Compensation Committee set fiscal 2017 compensation for the Named Executive Officers, as disclosed in the Company s Current Report on Form 8-K filed with the SEC on May 20, 2016. As part of its process, the Compensation Committee reviewed a compensation study delivered by L&A at the time. The Compensation Committee set Mr. Powers s base salary at $800,000, which is between the 25th percentile and median of the L&A study, and which the Committee believes is an appropriate level for a newly promoted CEO. The Compensation Committee adopted the Eagle Annual Incentive Program for Fiscal 2017 in May 2016, which differed from the fiscal 2016 program by (i) reducing the percentage potentially payable to the CEO from 40% in fiscal 2016 (Mr. Rowley) to 24% in fiscal 2017 (Mr. Powers) and reducing the percentage participation of the other plan participants, in part to allow the addition of Mr. Haack (our COO) to the pool, and (ii) increasing the percentage of the Company s operating earnings that fund the pool from 1.35% (fiscal 2016) to 1.40% (fiscal 2017).

Finally, the Compensation Committee made long-term incentive awards to senior management in May 2016, as disclosed in the Company s Current Report on Form 8-K filed with the SEC on May 26, 2016. The grant date fair value of the target amount awarded to Mr. Powers was $2,500,000 (as opposed to $3,000,000 to Mr. Rowley with his fiscal 2016 awards). Given Mr. Powers s age and proximity to retirement, the Compensation Committee allocated his entire award to restricted stock, split evenly between performance vesting restricted stock and time vesting restricted stock. Other similarly-situated award recipients also received all restricted stock, with all other long-term award recipients receiving half restricted stock (performance and time vesting) and half stock options (performance and time vesting).

In order for the fiscal 2017 performance awards to be earned, the Company must achieve a performance vesting criterion based on the Company s average return on equity measured at the end of fiscal 2017. Following the determination of achievement of the performance vesting criterion at the end of fiscal 2017, one-fourth of any earned awards will vest immediately at that time and one-fourth will vest on each of the next three fiscal year-ends thereafter (assuming continued service by the officer). Any performance award that is not earned at the end of fiscal 2017 upon the determination of the achievement of the performance vesting criterion will be forfeited. The terms and conditions of the performance awards will be substantially the same as awards made in fiscal 2016, except that the vesting criterion and vesting schedule will be as described above. The time vesting awards will vest ratably over the four years following the date of grant (assuming continued service by the officer). The terms and conditions of the time vesting awards will be substantially the same as previous time vesting awards, except that the vesting schedule will be as described above. As in the case of prior equity awards, the awards made for fiscal 2017 will vest upon a change in control of the Company, as described below.

Change in Control Benefits

Awards under our Incentive Plan are generally subject to accelerated vesting, without regard to whether any applicable performance criteria have been or will be satisfied, upon the occurrence of a change in control as defined in the applicable award agreement. Under the award agreements or incentive program documents, a change in control is defined as (i) the acquisition by any person or entity of 50% or more of the outstanding shares of any single class of our Common Stock or 40% or more of outstanding shares of all classes of our Common Stock; (ii) a change in the composition of our Board such that the current members of the Board cease to constitute a majority of the Board; or (iii) the consummation of a merger, dissolution, asset disposition, consolidation or share exchange, unless (1) more

than 50% of the stock following such transaction is owned by persons or entities who were stockholders of the Company prior to such transaction, (2) following such transaction, no person or entity owns 40% or more of the common stock of the corporation resulting from such transaction, and (3) at least a majority of the members of the resulting corporation s board of directors were members of our Board. If a change in control occurs, any unvested outstanding stock options, restricted stock, restricted stock units or cash awards would generally become immediately fully vested, and, in the case of stock options, exercisable or, the case of restricted stock, RSUs or cash awards, payable, in each case without regard to whether any applicable performance criteria have been or will be satisfied. See Potential Payments Upon Termination or Change in Control beginning on page 43 of this proxy statement. We believe the provision of these change in control benefits is generally consistent with market practice among our peers, is a valuable executive talent retention incentive and is consistent with the objectives of our overall executive compensation program. For example, the equity vesting provides employees with the same opportunities as stockholders, who are generally free to sell their equity at the time of the change in control event and thereby realize the value created at the time of the transaction.

Stock Ownership Guidelines

In order to align the interests of the Named Executive Officers with our stockholders, and to promote a long-term focus for the officers, the Board of Directors has adopted executive stock ownership guidelines for the officers of the Company and our subsidiaries.

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The guidelines for the Named Executive Officers (other than Mr. Rowley, who retired from the Company effective at the close of business on March 31, 2016) are expressed as a multiple of base salary as set forth below (with actual ownership reflected as of the record date for the annual meeting):

Name	Multiple of Salary Ownership Guidelines	Number of Shares of Common Stock[1]	Actual Ownership[2]
D. Craig Kesler	3X	26,900	65,268
Michael Haack	3X	18,800	15,617
Gerald J. Essl	3X	22,200	54,529
David B. Powers	3X	22,200	65,991

(1) Our stock ownership guidelines for executives are expressed as a number of shares of our Common Stock. The number of shares is determined by multiplying the executive s annual base salary on the date the executive becomes subject to the stock ownership guidelines by the applicable multiple and then dividing the product by the closing price of our Common Stock on the NYSE on the date the executive becomes subject to the policy. The amount is then rounded to the nearest 100 shares.

(2) Types of ownership counted toward the guidelines include the following:

Stock holdings in our PSRP;

Direct holdings;

Indirect holdings, such as shares owned by a family member residing in the same household; and

Shares represented by restricted stock.

Once established, a participant s ownership requirement generally does not change as a result of changes in his or her compensation or fluctuations in the price of our Common Stock but could change in the event of a promotion. Newly elected officers have five years to meet the applicable ownership requirement. Compliance with the ownership guidelines is reviewed annually by the Compensation Committee. Based on the current holdings of the Named Executive Officers, all of the Named Executive Officers have already achieved, or we anticipate that all such officers will achieve, their stock ownership goal within the five-year time frame.

Limitations on Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction for public corporations for compensation over $1,000,000 paid in any fiscal year to the corporation s chief executive officer and four other most highly compensated executive officers. However, this law exempts performance-based compensation from the deduction limit if certain requirements are met.

Our Incentive Plan has been approved by our stockholders and Compensation Committee and otherwise meets the requirements for performance-based compensation under Internal Revenue Code Section 162(m). The Eagle Annual Incentive Program is adopted under the structure of our Incentive Plan and is subject to the terms and conditions of that plan, including the requirements for performance-based compensation. The Compensation Committee generally seeks whenever possible to structure annual incentive and long-term incentive compensation awards, such as stock option and restricted stock grants under our Incentive Plan, in a manner that satisfies the Section 162(m) requirements, but reserves the right to award nondeductible compensation as it deems appropriate. Further, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the related regulations, no assurance can be given that compensation intended by the Compensation Committee to satisfy the requirements for deductibility under section 162(m) does in fact do so.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table summarizes all fiscal 2014, 2015 and 2016 compensation earned by or paid to our Named Executive Officers, who consist of our Chief Executive Officer, our Chief Financial Officer and the three most highly compensated executive officers (other than the Chief Executive Officer and Chief Financial Officer) who were serving as executive officers at fiscal year-end.

Name and Principal Position	Fiscal Year Ended March 31,	Salary[1] ($)	Bonus[2] ($)	Stock Awards[3] ($)	Option Awards[4] ($)	Non-Equity Incentive Plan Compensation[5] ($)	All Other Compensation[6] ($)	Total ($)
Steven R. Rowley, [7] *President and Chief Executive Officer*	2016	$ 940,000		$ 3,105,309[8]	$ 2,422,444[9]	$ 1,273,508	$ 266,730	$ 8,007,991
	2015	912,000		750,000	2,250,000	1,429,216	95,799	5,437,015
	2014	885,000		750,000	2,250,000	1,080,460	93,149	5,058,609
D. Craig Kesler, *Executive Vice President Finance and Administration & CFO*	2016	400,000	$ 50,000	375,000	375,000	509,403	54,439	1,763,842
	2015	363,000		375,000	375,000	571,687	41,438	1,726,125
	2014	330,000		187,500	562,500	432,184	37,524	1,549,708
Michael Haack, [10] *Executive Vice President and Chief Operating Officer*	2016	515,000	515,000	500,000	500,000		237,195	2,267,195
	2015	166,667	400,000	799,000	1,548,700		733	2,915,100
Gerald J. Essl, *Executive Vice President Cement/Aggregates and Concrete*	2016	397,580		425,000	425,000	674,954	52,191	1,974,725
	2015	386,000	500,000	637,500	212,500	575,843	39,409	2,351,252
	2014	375,000		637,500	212,500	425,246	38,334	1,688,580
David B. Powers, [11] *Executive Vice President Gypsum*	2016	397,580	250,000	425,000	425,000	720,123	52,792	2,270,495
	2015	386,000		600,000	200,000	653,620	39,710	1,879,330
	2014	375,000		600,000	200,000	484,364	38,613	1,697,977

(1) Includes amounts deferred on a pre-tax or after-tax basis at the election of the executive under our PSRP, which is described in greater detail under Profit Sharing and Retirement Plan on page 33 of this proxy statement.

(2) The amounts in this column represent payments to the Named Executive Officer under the Company s Special Situation Program for the applicable fiscal year, except that (i) the amount for Mr. Haack for fiscal 2015 includes a $150,000 cash signing bonus and $250,000 annual incentive bonus; and (ii) the amount for Mr.

Powers for fiscal 2016 represents a special cash bonus awarded by the Compensation Committee at the end of fiscal 2016.

(3) The amounts in this column reflect the value of restricted stock awards made to the Named Executive Officer in each of the fiscal years presented and are consistent with the grant date fair value of the award computed in accordance with FASB ASC Topic 718. For assumptions used in determining these values, refer to (a) footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2016 included in the Fiscal 2016 Form 10-K; (b) footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2015 included in the Fiscal 2015 Form 10-K; and (c) footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2014 included in the Fiscal 2014 Form 10-K. The amounts in this column for fiscal 2016 related to the restricted stock awarded on June 10, 2015 assume achievement of less than the highest level of performance conditions, and the following reflects the amounts for this award assuming the highest level of performance conditions (i.e., the maximum amounts payable): Mr. Rowley - $1,725,000; Mr. Kesler - $431,250; Mr. Haack - $575,000; Mr. Essl - $488,750; and Mr. Powers - $488,750.

(4) The amounts in this column reflect the value of option awards made to the Named Executive Officer in each of the fiscal years presented and are consistent with the grant date fair value of the award computed in accordance with FASB ASC Topic 718. For assumptions used in determining these values, refer to (a) footnote (J) to the Company s audited financial statements for the fiscal

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year ended March 31, 2016 included in the Fiscal 2016 Form 10-K; (b) footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2015 included in the Fiscal 2015 Form 10-K; and (c) footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2014 included in the Fiscal 2014 Form 10-K.

(5) The amounts in this column represent payments to the Named Executive Officer under the applicable annual incentive compensation program for the applicable fiscal year.

(6) The amounts shown in this column represent: (1) Company profit sharing contributions to the account of the Named Executive Officer under our PSRP (the PSRP is described in greater detail under Profit Sharing and Retirement Plan on page 33 of this proxy statement); (2) Company contributions to the account of the Named Executive Officer under our SERP (the SERP is described in greater detail under SERP on page 33 of this proxy statement); (3) premium costs to the Company of life insurance policies obtained by the Company in connection with our SCP (the SCP is described in greater detail under Salary Continuation Plan on page 33 of this proxy statement); (4) wellness awards; (5) relocation expense; and (6) retirement expense. The table below provides further details of the amounts reflected in the All Other Compensation column:

Name	Fiscal Year Ended March 31,	Profit Sharing Plan Contribution ($)	SERP Contribution ($)	Insurance Premiums under Salary Continuation Plan ($)	Wellness Award ($)	Relocation ($)	Retirement Related ($)	Total of All Other Compensation ($)
Steven R. Rowley	2016	$ 26,500	$ 131,325	$ 4,905			$ 104,000[1]	$ 266,730
	2015	26,000	64,525	5,274				95,799
	2014	25,500	62,375	5,274				93,149
D. Craig Kesler	2016	26,500	22,050	5,200				54,439
	2015	26,000	9,475	5,274	$ 689			41,438
	2014	25,500	6,750	5,274				37,524
Michael Haack	2016	26,500	24,625	5,274		$ 180,796		237,195
	2015			733				733
Gerald J. Essl	2016	26,500	25,293	398				52,191
	2015	26,000	12,325	1,084				39,409
	2014	25,500	11,375	1,459				38,334
David B. Powers	2016	26,500	25,293	999				52,792
	2015	26,000	12,325	1,385				39,710
	2014	25,500	11,375	1,738				38,613

(1) For Mr. Rowley in Fiscal 2016, the retirement expense amount reflects the acceleration of Mr. Rowley s outstanding cash award under the Long-Term Cash Program for Fiscal Year 2013 (see Retirement of Chief Executive Officer on page 26 of this proxy statement).

(7) Mr. Rowley retired from the Company effective at the close of business on March 31, 2016.

(8) This amount includes $1,500,000 (the grant date fair value of Mr. Rowley s June 10, 2015 restricted stock award), and $1,605,309 (the fair value of the retirement-related acceleration of the vesting of Mr. Rowley s outstanding restricted stock awards, including the June 10, 2015 restricted stock award, computed in accordance with FASB ASC Topic 718). The fiscal 2016 Stock Award value for Mr. Rowley is presented consistent with the guidance contained in SEC Compliance and Disclosure Interpretation No. 119.21, although this results in the inclusion of both the grant date fair value and the revalued retirement-related value of the June 10, 2015 award in this number.

(9) This amount includes $1,500,000 (the grant date fair value of Mr. Rowley s June 10, 2015 stock option award), and $922,444 (the fair value of the retirement-related continued exercisability of his outstanding option awards, including the June 10, 2015 stock option award, for two years following retirement, computed in accordance with FASB ASC Topic 718). The fiscal 2016 Option Award value for Mr. Rowley is presented consistent with the guidance contained in SEC Compliance and Disclosure Interpretation No. 119.21, although this results in the inclusion of both the grant date fair value and the revalued retirement-related value of the June 10, 2015 award in this number.

(10) Mr. Haack was hired as Executive Vice President and Chief Operating Officer effective December 1, 2014.

(11) Mr. Powers was promoted to President and Chief Executive Officer effective at the close of business on March 31, 2016.

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Grants of Plan-Based Awards

The following table sets forth the grants of plan-based awards made during fiscal 2016 to the Named Executive Officers.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards[1]
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Steven R. Rowley	5/14/15		$ 1,273,508[2]						
	6/10/15						60,577[3]	$ 81.56	$ 1,500,000
	6/10/15					18,392[4]	21,151[4]		1,500,000
D. Craig Kesler	5/14/15		509,403[2]						
	6/10/15						15,145[3]	81.56	375,000
	6/10/15					4,598[4]	5,288[4]		375,000
Michael Haack	6/10/15						20,193[3]	81.56	500,000
	6/10/15					6,131[4]	7,051[4]		500,000
Gerald J. Essl	5/14/15		681,772[2]						
	6/10/15						17,164[3]	81.56	425,000
	6/10/15					5,211[4]	5,993[4]		425,000
David B. Powers	5/14/15		734,819[2]						
	6/10/15						17,164[3]	81.56	425,000
	6/10/15					5,211[4]	5,993[4]		425,000

(1) The amounts included in this column reflect the grant date fair value of the award computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in footnote (J) to the Company s audited financial statements for the fiscal year ended March 31, 2016 included in the Fiscal 2016 Form 10-K. For Mr. Rowley, the table does not include the $1,605,309 retirement-related fair value of his accelerated restricted stock awards, including the June 10, 2015 stock option award, or the $922,444 retirement-related fair value of the continued exercisability of his outstanding option awards, including the June 10, 2015 stock option award, for two years following retirement. These retirement-related values are included in the Summary Compensation Table on page 36 of this proxy statement.

(2) These amounts represent the maximum annual incentive payments potentially payable to the Named Executive Officers pursuant to the Eagle Annual Incentive Program or the Divisional Annual Incentive Bonus Programs, as applicable, for fiscal year 2016. There are no thresholds or maximums for these awards they are merely a function of multiplying the pre-determined percentage by the operating earnings for the fiscal year. The actual pay-outs to

the Named Executive Officers were as follows: Mr. Rowley $1,273,508; Mr. Kesler $509,403; Mr. Essl $674,954; and Mr. Powers $720,123. These incentive programs are described in greater detail under Annual Incentive Bonus beginning on page 27 of this proxy statement.

(3) These amounts represent grants of stock options to purchase shares of Common Stock made on June 10, 2015 under our Incentive Plan. One-third of the stock options vested on June 10, 2016; one-third will vest on June 10, 2017; and one-third will vest on June 10, 2018. These stock options are described in greater detail under Long-Term Incentive Compensation Fiscal 2016 Grants beginning on page 31 of this proxy statement.

(4) These amounts represent grants of restricted stock made on June 10, 2015 under our Incentive Plan. The vesting of the restricted stock was subject to performance vesting criteria. On May 6, 2016, the Compensation Committee determined that 82.32% of the maximum award (or 94.6% of the target award) had been earned. Any unearned restricted shares were forfeited. One-fifth of the earned restricted stock vested on May 11, 2016; one-fifth will vest on March 31, 2017; one-fifth will vest on March 31, 2018; one-fifth will vest on March 31, 2019; and one-fifth will vest on March 31, 2020. These restricted stock grants are described in greater detail under Long-Term Incentive Compensation Fiscal 2016 Grants beginning on page 31 of this proxy statement.

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Outstanding Equity Awards at Fiscal Year-End

The following table summarizes stock-based compensation awards outstanding at the end of fiscal 2016 for each of the Named Executive Officers.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date[1]	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[2]
Steven R. Rowley	14,755			$ 62.830	05/09/2016	3,087[3]	216,430	21,151[4]	$ 1,482,897
	33,232			30.735	03/31/2018	4,464[5]	312,971		
	88,620			27.530	03/31/2018	5,151[6]	361,137		
	120,618			33.690	03/31/2018				
	57,607	28,804[7]		67.210	03/31/2018				
	46,844	23,422[8]		87.370	03/31/2018				
		60,577[9]		81.560	03/31/2018				
D. Craig Kesler	10,653			27.530	06/27/2021	11,667[10]	817,974	5,288[4]	370,742
	32,184			33.690	06/19/2022	823[3]	57,701		
	14,402	7,201[7]		67.210	08/12/2023	1,116[5]	78,243		
	7,808	3,903[8]		87.370	06/03/2024	2,575[6]	180,534		
		15,145[9]		81.560	06/10/2025				
Michael Haack	10,000	40,000[11]		79.900	12/01/2024	8,000[12]	560,880	7,051[4]	494,346
		20,193[9]		81.560	06/10/2025				
Gerald J. Essl	9,523			27.530	06/27/2021	890[3]	62,398	5,993[4]	420,170
	23,196			33.690	06/19/2022	3,794[5]	265,998		
	5,441	2,720[7]		67.210	08/12/2023	4,377[6]	306,872		
	4,425	2,212[8]		87.370	06/03/2024				
		17,164[9]		81.560	06/10/2025				

David B. Powers	9,523		27.530	06/27/2021	890[3]	62,398	5,993[4]	420,170
	34,794		33.690	06/19/2022	3,570[5]	250,293		
	5,121	2,560[7]	67.210	08/12/2023	4,120[6]	288,854		
	4,164	2,082[8]	87.370	06/03/2024				
		17,164[9]	81.560	06/10/2025				

(1) For Mr. Rowley, the expiration dates of his outstanding options were adjusted in accordance with the terms of the award agreements upon the determination that his departure constituted a Board-approved retirement from service. See Retirement of Chief Executive Officer on page 26 of this proxy statement.

(2) Based on the closing price per share of Common Stock on the NYSE on March 31, 2016 ($70.11).

(3) Represents restricted stock granted on June 19, 2012 under our Incentive Plan. Restrictions will lapse on the remaining restricted shares on March 31, 2017. For Mr. Rowley, the restrictions on all remaining shares lapsed in connection with his retirement from the Company on March 31, 2016.

(4) Represents restricted stock granted on June 10, 2015 under our Incentive Plan. The Compensation Committee determined in May 2016 (i.e., after the end of fiscal 2016) that 82.32% of the maximum award (or 94.6% of the target award) was earned. Any unearned restricted shares were forfeited. One-fifth of the earned restricted shares was paid to the Named Executive Officer on May 11, 2016. Restrictions will lapse on the remaining four-fifths of the restricted shares on March 31, 2017; March 31, 2018; March 31, 2019; and March 31, 2020. For Mr. Rowley, 100% of such stock was deemed earned and the restrictions on all shares lapsed in connection with his retirement from the Company on March 31, 2016.

(5) Represents restricted stock granted on August 12, 2013 under our Incentive Plan. Restrictions will lapse ratably on the remaining restricted shares on March 31, 2017; and March 31, 2018. For Mr. Rowley, the restrictions on all remaining shares lapsed in connection with his retirement from the Company on March 31, 2016.

(6) Represents restricted stock granted on June 3, 2014 under our Incentive Plan. Restrictions will lapse ratably on the remaining restricted shares on March 31, 2017; March 31, 2018; and March 31, 2019. For Mr. Rowley, the restrictions on all remaining shares lapsed in connection with his retirement from the Company on March 31, 2016.

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(7) Represents stock options granted on August 12, 2013 under our Incentive Plan. The options vest ratably over three years.
(8) Represents stock options granted on June 3, 2014 under our Incentive Plan. The vesting of the stock options was subject to performance vesting criteria. The remaining earned options will vest on March 31, 2017.
(9) Represents stock options granted on June 10, 2015 under our Incentive Plan. The options vest ratably over three years.
(10) Represents restricted stock granted on May 18, 2010 under our Incentive Plan. Restrictions will lapse upon the Named Executive Officer meeting the requirements of retirement, as defined in the award agreement
(11) Represents stock options granted to Mr. Haack under our Incentive Plan in connection with his joining the Company as Chief Operating Officer on December 1, 2014. The stock options will vest ratably over five years.
(12) Represents restricted stock granted to Mr. Haack under our Incentive Plan in connection with his joining the Company as Chief Operating Officer on December 1, 2014. The restrictions will lapse ratably over five years.

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Option Exercises and Stock Vested

The following table sets forth information regarding the exercise of stock options and the vesting of restricted stock during fiscal 2016 for each of our Named Executive Officers.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting[1] (#)	Value Realized on Vesting[2] ($)
Steven R. Rowley			62,790	$ 4,428,790
D. Craig Kesler			9,093	650,358
Michael Haack			2,000	138,358
Gerald J. Essl			12,381	889,623
David B. Powers			23,765	1,824,540

(1) All of the amounts in this column represent shares of Common Stock received by the Named Executive Officer in connection with the lapsing of restrictions on restricted stock previously granted to the Named Executive Officers. For Mr. Rowley, the amount shown does not reflect the lapsing of restrictions on 33,853 shares of restricted stock which occurred on April 8, 2016 (after our fiscal year-end) in connection with his retirement from the Company.

(2) The amount in this column represents the dollar amount realized by the Named Executive Officer valued at the time of the vesting of such shares. For Mr. Rowley, the amount shown does not reflect the value realized on the 33,853 shares of restricted stock which vested on April 8, 2016 (after our fiscal year-end) in connection with his retirement from the Company. That value was $2,353,799.

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Nonqualified Deferred Compensation

In FY 2016

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY[1] ($)	Aggregate Earnings in Last FY[2] ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE[3] ($)
Steven R. Rowley		$ 131,325	($ 15,434)		$ 1,483,560
D. Craig Kesler		22,050	303		40,352
Michael Haack		24,625			24,625
Gerald J. Essl		25,293	4,300		381,698
David B. Powers		25,293	(1,664)		157,264

(1) The amounts in this column represent contributions made by the Company for the account of the Named Executive Officers during fiscal 2016 under our SERP. The SERP is an unfunded, non-qualified plan for certain executives of the Company. Under the SERP, the Company makes contributions to the account of the executive in an amount substantially equal to the additional contributions he would have received under the PSRP had 100% of his annual salary been eligible for a profit sharing contribution. The SERP is described in greater detail under SERP on page 33 of this proxy statement. The amounts in this column are reflected in the All Other Compensation column of the Summary Compensation Table located on page 36.

(2) The Company also maintains the Eagle Materials Inc. Deferred Compensation Plan. Under this Deferred Compensation Plan, eligible executives were allowed to defer the receipt of a portion of their salary or annual bonus for fiscal 2001, up to 75% of such amounts. For fiscal years after fiscal 2001, the Deferred Compensation Plan was closed to additional employee deferrals. Amounts under the Deferred Compensation Plan are payable at a date certain or upon the participant s termination of employment, disability or death in the form of a lump sum or installments as elected pursuant to the terms of the plan. Such amounts are not subject to the six month delay applicable to key employees under Internal Revenue Code Section 409A. The earnings in this column reflect earnings or losses on balances in the Named Executive Officer s SERP account and Deferred Compensation Plan account. A Named Executive Officer may designate how his account balances are to be invested by selecting among the investment options available under our PSRP, with the exception of the Common Stock fund. Because these earnings are not above market, they are not included in the Summary Compensation Table on page 36 of this proxy statement. The table below shows the investment options available under our PSRP (other than the Common Stock fund) and the annual rate of return for the 12 month period ended March 31, 2016, as reported to us by the administrator of the plan.

Fund	Rate of Return
ABF Large Cap Value	(6.05%)
CBA Aggressive Growth I	(4.12%)
Mainstay Large Cap Growth	6.17%
Spartan 500 Index Fund	1.77%
Fidelity Low Price Stock Fund	(1.33%)
JP Morgan Midcap Growth Fund	2.81%

Spartan Extended Market Index Fund	(9.00%)
ABF Small Cap Value PA	(5.04%)
Baron Small Cap Fund	(5.01%)
Harbor International Adm	(4.06%)
Spartan International Index Adv	(8.35%)
Fidelity Freedom 2010 Fund	(1.26%)
Fidelity Freedom 2020 Fund	(2.01%)
Fidelity Freedom 2030 Fund	(3.01%)
Fidelity Freedom 2040 Fund	(3.48%)
Fidelity Freedom 2050 Fund	(3.52%)
Fidelity Freedom 2060 Fund	(3.42%)
Fidelity Freedom Income Fund	(0.30%)
Fidelity Managed Income Portfolio	1.18%
Spartan US Bond Index	2.00%
Vanguard Inflation Protected Securities Fund	(1.69%)
Fidelity Retirement Money Market	0.02%

(3) The amounts in this column represent the sum of: (i) the balance in the Named Executive Officer s account under the SERP; and (ii) the balance in the Named Executive Officer s account under the Company s Deferred Compensation Plan.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following is a summary of the potential payments payable to the Named Executive Officers upon termination of employment or a change in control of the Company under current compensation programs. Specifically, compensation payable to each Named Executive Officer upon voluntary termination, involuntary termination or in the event of death or disability and change in control is discussed below. The amounts shown in the tables below assume that such termination was effective as of March 31, 2016, and are therefore estimates of the amounts which would be paid out to the executives (or their beneficiaries) upon their termination. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be different. Factors that could affect these amounts include the timing during the year of any such event, the price of our Common Stock and the executive s age.

Payments Made Upon Any Termination

Deferred Compensation. The amounts shown in the table below do not include distribution of plan balances under our Deferred Compensation Plan or SERP. These balances are shown in the Nonqualified Deferred Compensation in FY 2016 Table on page 42 of this proxy statement.

Death and Disability. A termination of employment due to death or disability does not entitle the Named Executive Officer to any payments that are not available to salaried employees generally, except for benefits payable to the beneficiaries of the Named Executive Officers in the event of termination due to death under our Salary Continuation Plan. A description of our Salary Continuation Plan is set forth under Salary Continuation Plan on page 33 of this proxy statement.

Accrued Pay and Profit Sharing Plan Benefits. The amounts shown in the table below do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment or relate to equity grants that have already vested. These include:

- accrued salary pay through the date of termination;
- non-equity incentive compensation earned and payable prior to the date of termination;
- option grants received under the Incentive Plan which have already vested and are exercisable prior to the date of termination (subject to the terms of the applicable Nonqualified Stock Option Agreement);
- restricted stock grants or restricted stock unit grants received under the Incentive Plan which have already vested prior to the date of termination (subject to the terms of the applicable Restricted Stock or Restricted Stock Unit Agreement); and
- unused accrued vacation pay.

Type of Payment	Involuntary Termination or Voluntary Termination (non Change in Control) ($)	Death or Disability ($)	Change in Control[1] ($)
Steven R. Rowley			
Long-Term Incentives			
Stock Options			
Unexercisable and Accelerated Awards			$ 83,532[2]
Restricted Stock Award			
Unvested and Accelerated Awards		$ 2,373,434[3]	2,373,434[3]
Benefits			
Salary Continuation Plan Payments		1,500,000[4]	
ROWLEY TOTAL		**3,873,434**	**2,456,966**

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Type of Payment	Involuntary Termination or Voluntary Termination (non Change in Control) ($)	Death or Disability ($)	Change in Control[1] ($)
D. Craig Kesler			
Long-Term Incentives			
Stock Options			
Unexercisable and Accelerated Awards			$ 20,883[2]
Restricted Stock Award			
Unvested and Accelerated Awards		$ 1,505,192[3]	1,505,192[3]
Benefits			
Salary Continuation Plan Payments		1,500,000[4]	
KESLER TOTAL		**3,005,192**	**1,526,075**
Michael Haack			
Long-Term Incentives			
Stock Options			
Unexercisable and Accelerated Awards			
Restricted Stock Award			
Unvested and Accelerated Awards		1,055,226[3]	1,055,226[3]
Severance Payment	$ 500,000[5]		
Benefits			
Salary Continuation Plan Payments		1,500,000[4]	
HAACK TOTAL	**500,000**	**2,555,226**	**1,055,226**
Gerald J. Essl			
Long-Term Incentives			
Stock Options			
Unexercisable and Accelerated Awards			7,888[2]
Restricted Stock Award			
Unvested and Accelerated Awards		1,055,436[3]	1,055,436[3]
Benefits			
Salary Continuation Plan Payments		397,580[4]	
ESSL TOTAL		**1,453,016**	**1,063,324**
David B. Powers			
Long-Term Incentives			
Stock Options			
Unexercisable and Accelerated Awards			7,424[2]
Restricted Stock Award			
Unvested and Accelerated Awards		1,021,714[3]	1,021,714[3]
Benefits			
Salary Continuation Plan Payments		397,580[4]	

POWERS TOTAL			**1,419,294**	**1,029,137**
AGGREGATE TOTAL FOR NAMED EXECUTIVE OFFICERS	**$**	**500,000**	**$ 12,306,162**	**$ 7,130,728**

(1) The definition of Change in Control is described under Change in Control Benefits on page 34 of this proxy statement.

(2) Represents the dollar value of the unexercisable stock options that are accelerated because of a change in control based on the amount, if any, that the closing price of our Common Stock on March 31, 2016 ($70.11) exceeds the exercise price of the stock option.

(3) Represents the dollar value of the restricted stock for which restrictions will lapse upon death, disability or a change in control based on the closing price of our Common Stock on March 31, 2016 ($70.11). For Mr. Rowley, the restrictions on all remaining shares lapsed in connection with his retirement from the Company on March 31, 2016.

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(4) Under the terms of our SCP, in the event of a Named Executive Officer s death while employed by the Company, such Named Executive Officer s beneficiaries would receive the following payments, which would be paid from the proceeds of a life insurance policy purchased by the Company covering such Named Executive Officer (calculated based on fiscal 2016 salaries):

a. Rowley $940,000 over the year following death, plus $470,000 per year thereafter until the beneficiaries have received a total of $1,500,000 in payments. Mr. Rowley s coverage by the SCP terminated upon his retirement from the Company on March 31, 2016.

b. Kesler $400,000 over the year following death, plus $200,000 per year thereafter until the beneficiaries have received a total of $1,500,000 in payments.

c. Haack $515,000 over the year following death, plus $257,500 per year thereafter until the beneficiaries have received a total of $1,500,000 in payments.

d. Essl $397,580 over the year following death.

e. Powers $397,580 over the year following death.

(5) Represents a severance payment to Mr. Haack assuming an involuntary termination by the Company on March 31, 2016 (during his second year of employment with the Company). Mr. Haack s right to such a severance payment will expire on December 1, 2016.

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STOCK OWNERSHIP

Management

We encourage stock ownership by our directors, officers and employees to align their interests with your interests as stockholders. The following table shows the beneficial ownership of our Common Stock, as of the record date for the annual meeting by: (a) each director, (b) each of our current executive officers and (c) by all directors and executive officers of the Company as a group (18 persons). Except as otherwise indicated, all shares are owned directly, and the owner of such shares has the sole voting and investment power with respect thereto.

	Amount and Nature of Beneficial Ownership [1]	
	Number of Shares Beneficially Owned[2]	Percentage of Common Stock
F. William Barnett	86,274	*
Richard Beckwitt	2,421	*
Ed H. Bowman	13,812	*
Robert L. Clarke[3]	149,437	*
William R. Devlin[4]	80,354	*
Martin M. Ellen	7,393	*
Gerald J. Essl[5]	97,114	*
James H. Graass[6]	151,660	*
Michael Haack[7]	25,617	*
Laurence E. Hirsch[8]	1,304,662	2.7%
D. Craig Kesler[9]	98,131	*
Keith Metcalf	89,441	*
Michael R. Nicolais[10]	49,464	*
David B. Powers	119,593	*
David W. Quinn	65,399	*
Steven R. Rowley[11]	254,834	*
Richard R. Stewart[12]	27,489	*
Robert S. Stewart	72,663	*
All current directors, nominees and executive officers as a group (18 persons)	2,695,758	5.5%

* Less than 1%

(1) For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person is deemed to have beneficial ownership of shares of our stock that the person has the right to acquire within 60 days. For purposes of computing the percentage of outstanding shares of Common Stock held by each person or group of persons named in the table, any shares that such person or persons have the right to acquire within 60 days are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other persons.

(2) Amounts include the following shares of Common Stock that may be acquired upon exercise of stock options awarded under our Incentive Plan: Mr. Barnett 78,088 shares; Mr. Bowman 6,293 shares; Mr. Clarke 81,633 shares; Mr. Devlin 32,891 shares; Mr. Ellen 5,117 shares; Mr. Essl 42,585 shares; Mr. Graass 85,989 shares;

Mr. Haack 10,000 shares; Mr. Hirsch 79,531 shares; Mr. Kesler 32,863 shares; Mr. Metcalf 42,909 shares; Mr. Nicolais 23,146 shares; Mr. Powers 53,602 shares; Mr. Quinn 31,321 shares; Mr. Rowley 104,451 shares; Mr. Richard Stewart 17,515 shares; and Mr. Bob Stewart 15,742 shares; and all directors and executive officers of the Company as a group (18 persons) 743,676 shares. In addition, this table includes shares of Common Stock that are held for the account of participants as of May 1, 2015, pursuant to the Common Stock fund of the PSRP, as follows: Mr. Devlin 1,858 shares; Mr. Graass 942 shares; Mr. Kesler 1,672 shares; Mr. Metcalf 3,931 shares; Mr. Powers 1,480 shares; and Mr. Rowley 2,334 shares; and all directors and executive officers of the Company as a group (18 persons) 12,217 shares. These amounts do not include the RSUs previously granted to the non-employee directors (including dividend equivalent units accrued since the date of grant) disclosed in the table on page 11 of this proxy statement.

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(3) Includes 67,046 shares pledged as collateral for a loan. Also includes 1,506 shares of Common Stock owned by Mr. Clarke s wife. Mr. Clarke is expected to retire as a director at the 2016 annual meeting.
(4) Includes 1,200 shares of Common Stock held in Mr. Devlin s IRA. Includes 26,191 shares pledged as collateral for a revolving line of credit with no outstanding balance as of the record date for the annual meeting.
(5) Includes 7,000 shares of Common Stock held in trust for Mr. Essl s son.
(6) Includes 543 shares of Common Stock held in Mr. Graass s IRA.
(7) Includes 8,000 shares of Common Stock representing the unvested shares under a restricted stock award made to Mr. Haack on December 1, 2014.
(8) Includes 5,173 shares of Common Stock owned by Hirsch Family Partnership No. 1, Ltd.; and 5,173 shares of Common Stock owned by Hirsch Family Partnership No. 2, Ltd., with respect to which Mr. Hirsch disclaims beneficial ownership. Excludes 2,334 shares of restricted stock that do not have voting rights while restricted.
(9) Also includes 160 shares of Common Stock held in Mr. Kesler s IRA.
(10) Includes (a) 1,386 shares of Common Stock owned by Mr. Nicolais s wife; (b) 1,550 shares of Common Stock held by the profit sharing plan of Mr. Nicolais s employer; (c) 3,500 shares of Common Stock held in Mr. Nicolais s IRA; (d) 555 shares of Common Stock held in trust (Mr. Nicolais s wife is trustee) for their daughter; and (e) 555 shares of Common Stock held in trust (Mr. Nicolais s wife is trustee) for their son. Mr. Nicolais has disclaimed beneficial ownership of the shares of Common Stock held in trust.
(11) Mr. Rowley retired from the Company effective at the close of business on March 31, 2016. Mr. Rowley s beneficial ownership of Company stock is based on Mr. Rowley s last Form 4 filing and includes 1,929 shares held in Mr. Rowley s IRA.
(12) Includes 7,000 shares owned by Stewart Family Trust.

Certain Beneficial Owners

The table below provides information regarding the only persons we know of who are the beneficial owners of more than five percent of our Common Stock. The number of shares of Common Stock shown in the table as beneficially owned by each person as of the most recent practicable date, which is generally the date as of which information is provided in the most recent beneficial ownership report filed by such person with the SEC. The percentage of our Common Stock shown in the table as owned by each person is calculated in accordance with applicable SEC rules based on the number of outstanding shares of Common Stock as of June 8, 2016, the record date for our annual meeting of stockholders.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Common Stock
BlackRock, Inc. (1) 55 East 52nd Street New York, NY 10055	3,837,620	7.9%
FMR LLC (2) 245 Summer Street Boston, MA 02210	3,353,149	6.9%
The Vanguard Group (3)	3,295,512	6.8%

100 Vanguard Blvd. Malvern, PA 19355		
JPMorgan Chase & Co. (4) 270 Park Ave. New York, NY 10017	2,590,971	5.3%

(1) Based solely on the information contained in a Schedule 13G/A filed with the SEC on February 10, 2016. Of the shares reported in the Schedule 13G/A, BlackRock, Inc. has sole voting power with respect to 3,672,328 shares and sole dispositive power with respect to 3,837,620 shares.

(2) Based solely on the information contained in a Schedule 13G/A filed with the SEC on February 12, 2016. Of the shares reported in the Schedule 13G/A, FMR LLC has sole voting power with respect to 293,038 shares and sole dispositive power with respect to 3,353,149 shares.

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(3) Based solely on the information contained in a Schedule 13G/A filed with the SEC on February 11, 2016. Of the shares reported in the Schedule 13G/A, The Vanguard Group has (i) sole voting power with respect to 36,496 shares; (ii) shared voting power with respect to 2,800 shares; (iii) sole dispositive power with respect to 3,259,216 shares; and (iv) shared dispositive power with respect to 36,296 shares.

(4) Based solely on the information contained in a Schedule 13G filed with the SEC on January 27, 2016. Of the shares reported in the Schedule 13G, JPMorgan Chase & Co. has (i) sole voting power with respect to 2,230,101 shares; (ii) shared voting power with respect to 16,012 shares; (iii) sole dispositive power with respect to 2,585,495 shares; and (iv) shared dispositive power with respect to 5,051 shares.

Related Party Transactions

Our code of conduct adopted by the Board, which we refer to as Eagle Ethics, includes provisions addressing conflicts of interest which arise when a director, officer, or employee has an interest in a transaction in which the Company is a participant. Eagle Ethics defines a conflict of interest as an activity, investment or association that interferes or might appear to interfere with the judgment or objectivity of an officer or employee in performing his or her job in the best interests of the Company and our shareholders.

Under Eagle Ethics, officers or employees are encouraged to consult with their supervisors regarding any matter that may involve a conflict of interest. In addition, Eagle Ethics requires that prior approval of the supervisor of an officer or employee, the president of the Eagle business unit in which such officer or employee is employed, and the Company s general counsel before: (1) obtaining an ownership interest in, or position with, an Eagle supplier, contractor, customer or competitor, subject to certain exceptions relating to the ownership of publicly traded securities; (2) employing any relatives where there is either a direct or indirect reporting relationship or a substantial amount of interaction between the relatives on the job; or (3) establishing a business relationship between Eagle and a company in which the officer or employee or his or her relative has an ownership interest or holds a position.

In addition to the above policies included in Eagle Ethics, we have implemented certain informal processes in connection with transactions with related persons. For example, the Company s legal staff is primarily responsible for the development of processes to obtain information from the directors and executive officers with respect to related person transactions and for determining, based on the facts and circumstances, whether the related person has a direct or indirect material interest in the transaction. In addition, all of our employees, executive officers and directors are required to disclose any conflicts of interest in an annual certification reviewed by our Legal Department. After disclosure, some conflicts of interest may be resolved through implementing appropriate controls for our protection. Depending on the identity of the officer or employee involved in a transaction creating a potential conflict of interest, the conflict of interest may be resolved by the Company s legal staff or may be referred to the Audit Committee. Where an appropriately disclosed conflict of interest is minor and not likely to adversely impact us, we may consent to the activity. Such consent may be subject to appropriate controls intended to ensure that transaction as implemented is not adverse to the Company. In other cases where appropriate controls are not feasible, the person involved will be requested not to enter into, or to discontinue, the relevant transaction or relationship. If a potential conflict arises concerning a director or officer of the Company, the potential conflict is disclosed to the Chair of the Audit Committee of the Board for review and disposition. As required under SEC rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in the annual proxy statement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company s directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company s equity securities, to file initial reports of ownership, reports of changes in ownership and annual reports of ownership with the SEC and the NYSE. These persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms that they file

with the SEC.

Based solely on our review of the copies of such forms we received with respect to fiscal 2016 or written representations from certain reporting persons, the Company believes that its directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company s equity securities, have complied with all filing requirements of Section 16(a) for fiscal 2016 applicable to such persons.

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Code of Conduct

The Company s code of conduct, Eagle Ethics, applies to all of the Company s employees, including the Company s officers. Eagle Ethics also applies to the Board of Directors. The Company s code of conduct is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code of conduct to an appropriate person or persons identified in the code of conduct; and
- accountability for adherence to the code of conduct.

All of the Company s employees and directors are required to certify to the Company, on an annual basis, that they have complied with the Company s code of conduct without exception or, if they have not so complied, to list the exceptions. The Company has posted the text of its code of conduct on its Internet website at *www.eaglematerials.com* (click on Investor Relations , then on Corporate Governance , then on Eagle Ethics under the heading Code of Ethics Additionally, the Company will provide without charge a copy of the code of conduct to any person upon written request to our Secretary at our principal executive office.

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PROPOSAL NO. 2: ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

We are seeking your advisory vote approving the compensation paid to our named executive officers as disclosed in this proxy statement. We believe the structure of our executive compensation programs promotes our business objectives and serves to motivate, attract and retain executive talent.

We urge stockholders to read our Compensation Discussion and Analysis beginning on page 19 of this proxy statement, which describes in more detail how our executive compensation policies and programs operate.

We are seeking stockholder approval of the following advisory resolution:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the related material disclosed in this Proxy Statement, is hereby approved by the stockholders of the Company on an advisory basis.

Although the vote on this proposal is advisory and nonbinding, the Compensation Committee and the Board will review the results of the vote and consider them when making future determinations regarding our executive compensation programs. The affirmative vote of a majority of the votes cast by shares entitled to vote thereon is required for the approval of the foregoing resolution. Abstentions and broker non-votes are not counted as votes cast, and therefore do not affect the approval of the resolution.

Recommendation of the Board

Our Board of Directors recommends that holders of Common Stock vote for the non-binding advisory resolution approving the compensation paid to our named executive officers.

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PROPOSAL NO. 3: APPROVAL OF EXPECTED APPOINTMENT OF INDEPENDENT AUDITORS

General

Ernst & Young acted as our independent auditors to audit our books and records for fiscal year 2016, and the Audit Committee expects to appoint Ernst & Young as our independent auditors for fiscal year 2017 if its proposal for audit services is satisfactory.

We believe the approval of this expected appointment is good corporate practice because the audit of our books and records is a matter of importance to our stockholders. If our stockholders do not support the expected appointment, our Audit Committee will consider that fact when determining whether or not to retain Ernst & Young, but still may elect to retain them. Even if the expected appointment is approved, the Audit Committee, in its discretion, may elect not to proceed with the appointment. Once it has appointed an auditor, our Audit Committee may elect to change the appointment at any time during the year if it determines that such a change would be in our best interests and the best interests of our stockholders.

Representatives of Ernst & Young are expected to be present for the annual meeting, with the opportunity to make a statement if they choose to do so, and will be available to respond to appropriate questions from our stockholders.

Recommendation of the Board

Our board unanimously recommends a vote for the approval of the expected appointment of Ernst & Young as the Company s auditors for the fiscal year ending March 31, 2017.

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RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

Ernst & Young LLP, which we refer to as Ernst & Young, audited the Company s financial statements for the fiscal years ended March 31, 2014, 2015 and 2016.

Ernst & Young reports directly to our Audit Committee. The Audit Committee has adopted policies and procedures for pre-approving all audit and permissible non-audit services performed by Ernst & Young. Under these policies, the Audit Committee pre-approves the use of audit and specific permissible audit-related and non-audit services up to certain dollar limits. Other audit and permissible non-audit services that exceed a $50,000 threshold must be pre-approved separately by the Audit Committee, or, for such services that do not exceed $50,000, by a member of the Audit Committee. Any such member must report the pre-approval at the next Audit Committee meeting. In determining whether or not to pre-approve services, the Audit Committee determines whether the service is a permissible service under the SEC s rules, and, if permissible, the potential effect of such services on the independence of Ernst & Young.

The following table sets forth the various fees for services provided to the Company by Ernst & Young in the fiscal years ended March 31, 2016 and 2015, all of which services have been approved by the Audit Committee:

Fiscal Year Ended March 31,	Audit Fees [1]	Audit Related Fees [2]	Tax Fees	All Other Fees	Total
2016	$ 1,186,000	$ 15,000			$ 1,201,000
2015	1,164,750	223,713			1,388,463

(1) Includes fees for the annual audit and quarterly reviews, accounting and financial reporting consultations regarding generally accepted accounting principles.

(2) For fiscal 2015, the amount includes fees for due diligence conducted in connection with the Company s acquisition of CRS Proppants.

AUDIT COMMITTEE REPORT

To the Board of Directors of Eagle Materials Inc.:

We have reviewed and discussed with management and our independent registered public accounting firm, Ernst & Young, as appropriate, (1) the audited financial statements of Eagle Materials Inc. as of and for the fiscal year ended March 31, 2016, and (2) management s report on internal control over financial reporting and the independent registered accounting firm s related opinions.

We have discussed with the independent registered public accounting firm the required communications specified by auditing standards, together with guidelines established by the SEC and the Sarbanes-Oxley Act.

We have received and reviewed the written disclosures and the letter from Ernst & Young required by the applicable requirements of the Public Company Accounting Oversight Board concerning independence and have discussed with Ernst & Young the auditors independence. We have also considered whether the auditors provision of non-audit services to Eagle Materials Inc. and its affiliates is compatible with the auditors independence.

Based on the reviews and discussions referred to above, we recommend to the Board of Directors that the financial statements referred to above be included in the Annual Report of Eagle Materials Inc. on Form 10-K for the fiscal

year ended March 31, 2016.

Audit Committee

Martin M. Ellen, *Chairman*

Richard Beckwitt

Robert L. Clarke

David W. Quinn

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OTHER MATTERS WHICH MAY BE PRESENTED FOR ACTION AT THE MEETING

Our Board of Directors does not intend to present for action at this annual meeting any matter other than those specifically set forth in the Notice of Annual Meeting of Stockholders. If any other matter is properly presented for action at the meeting, it is the intention of persons named in the proxy to vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by the proxy.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS

Pursuant to the rules of the SEC, the Company and services that it employs to deliver communications to its stockholders are permitted to deliver to two or more stockholders sharing the same address a single copy of the proxy statement. Upon written or oral request, the Company will deliver a separate copy of the proxy statement to any stockholder at a shared address who wishes to receive separate copies of such documents in the future. Stockholders receiving multiple copies of such documents may likewise request that the Company deliver single copies of such documents in the future. Stockholders may notify the Company of their requests by calling or directing a written request to Eagle Materials Inc., Attention: James H. Graass, Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487, (214) 432-2000.

DEADLINE FOR RECEIPT OF STOCKHOLDER PROPOSALS

Next year s annual meeting of stockholders is scheduled to be held on August 3, 2017. In order to be considered for inclusion in the Company s proxy material for that meeting, stockholder proposals must be received at our executive offices, addressed to the attention of the Secretary, not later than February 16, 2017.

For any proposal that is not submitted for inclusion in our proxy material for the 2017 annual meeting of stockholders but is instead sought to be presented directly at that meeting, Rule 14a-4(c) under the Exchange Act permits the Company s management to exercise discretionary voting authority under proxies it solicits unless the Company is notified about the proposal on or before May 5, 2017, and the stockholder satisfies the other requirements of Rule 14a-4(c). Our Bylaws provide that, to be considered at the 2017 annual meeting, a stockholder proposal must be submitted in writing and received by our Secretary at the executive offices of the Company during the period beginning on February 4, 2017 and ending May 5, 2017, and must contain the information specified by and otherwise comply with our Bylaws. Any stockholder wishing to receive a copy of our Bylaws should direct a written request to our Secretary at the Company s principal executive office.

FORM 10-K

Stockholders entitled to vote at the meeting may obtain a copy of the Company s Annual Report on Form 10-K for the fiscal year ended March 31, 2016, including the financial statements required to be filed with the SEC, without charge, upon written or oral request to Eagle Materials Inc., Attention: James H. Graass, Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487, (214) 432-2000.

By Order of the Board of Directors

JAMES H. GRAASS
Executive Vice President,
General Counsel and Secretary

Dallas, Texas

June 17, 2016

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EAGLE MATERIALS INC.

3811 TURTLE CREEK BLVD.
SUITE 1100
DALLAS, TX 75219

VOTE BY INTERNET -
www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

	Nominees	**For**	**Against**	**Abstain**
1A	Martin M. Ellen	¨	¨	¨
1B	David B. Powers	¨	¨	¨

The Board of Directors recommends you vote FOR proposals 2 and 3.		**For**	**Against**	**Abstain**
2	Advisory resolution regarding the compensation of our named executive officers.	¨	¨	¨
3	To approve the expected appointment of Ernst & Young LLP as independent auditors for fiscal year 2017.	¨	¨	¨

NOTE: THE SHARES REPRESENTED BY THIS PROXY WHEN PROPERLY

EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ITEMS 1, 2, AND 3. IF ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE PROXIES NAMED IN THIS PROXY WILL VOTE IN THEIR DISCRETION. BY EXECUTING THIS PROXY, THE UNDERSIGNED HEREBY REVOKES PRIOR PROXIES RELATING TO THE MEETING.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Annual Report are available at www.proxyvote.com

EAGLE MATERIALS INC.
THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS

ANNUAL MEETING OF STOCKHOLDERS
August 4, 2016

The undersigned hereby appoints James H. Graass and David B. Powers, or either of them, as proxies, each with full power of substitution, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of Eagle Materials Inc. that the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held at 8:00 a.m., local time, on Thursday, August 4, 2016 at Arlington Hall at Lee Park, 3333 Turtle Creek Blvd., Dallas, Texas 75219, and any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND FOR PROPOSALS 2 AND 3. THE PROXIES WILL USE THEIR DISCRETION WITH RESPECT TO ANY OTHER MATTERS THAT PROPERLY COME BEFORE THE MEETING.

By execution of this proxy, the undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement for the August 4, 2016 Annual Meeting.

***For address changes, please contact our transfer agent, Computershare Shareowner Services LLC, at 1-800-279-1248.**

Continued and to be signed on reverse side