

Lindsay Australia Limited Long Term Incentive (Option) Plan Rules

Lindsay Australia Limited

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Lindsay Australia Limited Long Term Incentive (Option) Plan Rules

1 Purpose

The Plan is designed to align the interests of Eligible Employees with the interests of shareholders of the Company and each Group company by enabling Eligible Employees to have involvement with and share in the future and growth of the Company and to assist the Company and each Group company to attract, reward and retain high quality staff.

2 Commencement

The Plan commences on the date determined by the Board.

3 Rules binding

The Plan must be operated in accordance with these Plan Rules which bind the Company, each Group company and each Participant.

4 Issue of Options

4.1 Eligibility

Only Eligible Employees may participate in the Plan.

4.2 Issue

- (a) The Board may, from time to time and at its absolute discretion, issue an Option to Eligible Employees.
- (b) Options will not be quoted on the ASX.

4.3 Terms of issue

Subject to these Plan Rules, an Option may be issued to Eligible Employees on such terms and conditions as the Board determines at its absolute discretion, provided the issue of an Option:

- (a) is made in writing;
- (b) specifies:
 - (i) the number Options being issued;
 - (ii) the Vesting Conditions;
 - (iii) the Exercise Price;
 - (iv) the Exercise Period;
 - (v) any Disposal Restrictions;
 - (vi) any other specific terms and conditions that apply to the issue of the Option; and
- (c) includes any document required by law or regulatory authority to be provided.

4.4 Nominee

An Eligible Employee is not permitted to have an Option issued, allotted or transferred to any other person or associated body corporate unless the Board, at its absolute discretion, determines otherwise.

4.5 **Employee agrees to be bound**

On the issue of an Option in accordance with this Rule 4, an Eligible Employee is deemed to have agreed to be bound by:

- (a) the terms of the issue;
- (b) the provisions of these Plan Rules; and
- (c) all Applicable Laws.

4.6 **No payment**

For the avoidance of doubt, no amount is payable by an Eligible Employee for the issue of an Option.

4.7 **Right to receive benefits in respect of Options**

Nothing in these Plan Rules confers any right or benefit in respect of the Share that corresponds to the Option issued (whether the right to receive dividends, the right to vote or otherwise) unless and until the Option Vests and the Share is issued, allotted or transferred to the Participant in accordance with Rule 5.

5 Vesting and Exercise

5.1 **Exercise of Options**

- (a) As soon as reasonably practicable after Options may be exercised (whether as a result of the Option Vesting or otherwise), the Board will deliver a Vesting Notice to the relevant Participant.
- (b) On receipt of a Vesting Notice, the Participant may exercise the Vested Option at any time during the Exercise Period by delivering to the Company an Exercise Notice in respect of the Vested Option.
- (c) For the avoidance of doubt, an Exercise Notice:
 - (i) must be in respect of all Vested Options for a tranche with the same date of issue; and
 - (ii) will not be accepted by the Company during a Prohibited Period.

5.2 **Satisfaction of an Option upon Exercise**

(a) **Delivery of Shares**

- (i) Subject to the Listing Rules, any Applicable Laws, the Securities Trading Policy and any other policy of the Company or the Group, as soon as reasonably practicable following the exercise of Options or such other date determined by the Board but prior to the commencement of the next Prohibited Period:
 - (A) the Company will; or
 - (B) the Company will instruct the Trustee to, subscribe for, acquire and/or allot that number of Shares which corresponds to the number of Options exercised in accordance with Rule 5.1 on behalf of the Participant.
- (ii) If Disposal Restrictions apply to Shares the subject of an Option, the Trustee will hold those Shares referred to in Rule 5.2(a)(i) on behalf of the Participant in accordance with the Trust Deed and the Company will, or the Company will instruct the Trustee to, notify the Participant that the Trustee holds Shares on the Participant's behalf.
- (iii) If Disposal Restrictions do not apply to Shares the subject of an Option, the Shares referred to in Rule 5.2(a)(i) will be delivered to the Participant.
- (iv) The transfer of Shares to a Participant by the Trustee will satisfy the obligations of the Company to deliver Shares to a Participant in accordance with this Rule 5.2.

(b) **Shares newly issued or acquired on market**

For the purposes of Rule 5.2(a), the Board may determine, at its absolute discretion, to either issue new Shares or acquire Shares on market or instruct the Trustee to subscribe for new Shares or acquire Shares on market.

(c) **Shares to be quoted on ASX**

If Shares of the same class as those issued in accordance with Rule 5.2(a) are quoted on the ASX, the Company will apply to the ASX for those Shares to be quoted in accordance with the Listing Rules.

(d) **Shares to rank equally**

Shares issued, allotted or transferred in accordance with this Rule 5.2 will rank equally with all existing Shares from the date of issue.

5.3 Cash settlement

(a) Notwithstanding this Rule 5, the Company may determine, at its absolute discretion to satisfy a Vested Option in cash rather than Shares by payment to the Participant of cash in the amount equal to the Market Value of the Shares that would have been issued, allotted or transferred to the Participant if the Company chose to settle the exercised Option in Shares, less any Exercise Price.

(b) For the purposes of Rule 5.3(a), the Market Value of the Shares will be based on the volume weighted average price of a Share as quoted on the ASX on the last trading day before the Option is exercised (or if there are no transactions on that particular day, the most recent preceding day on which transactions occurred).

5.4 Waiver

For the avoidance of doubt, the Board may, at its absolute discretion, waive some or all of the Vesting Conditions applicable to an Option in respect of a Participant such that the Option may Vest despite a Vesting Condition not being satisfied.

5.5 Lapse of Options

Subject to Rule 8 and Rule 9, and unless otherwise determined by the Board at its absolute discretion:

(a) an Unvested Option will lapse on the expiration of the Vesting Period; and

(b) a Vested but unexercised Option will lapse on the Last Exercise Date.

6 Participation in future issues and reorganisation

6.1 Participation in future issues

(a) A Participant cannot participate in new issues of Shares or other securities to holders of Shares, unless the Shares in respect of Options held by the Participant have been acquired by, and registered in the name of, the Participant before the record date for determining entitlements to the new issue.

(b) If the Company makes a pro rata bonus issue of Shares or other securities to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and Shares in respect of Options held by a Participant have not been acquired by, and registered in the name of, the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares the subject of the Options shall be increased by the number of Shares that the Participant would have received if the Shares the subject of the Options had been registered in the name of the Participant before the record date for the bonus issue.

(c) If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (other than an issue in lieu or in stratification of dividends or by way of dividend reinvestment) and an Exercise Price is payable on the exercise of Options, the Exercise Price shall be changed as permitted by the Listing Rules.

6.2 Reorganisation

In the event of any reorganisation of the issued capital of the Company, a Group company or the Group, the number of Options or Shares will be adjusted in accordance with the Listing Rules as applicable to Options at the time of the reorganisation.

7 Restrictions

7.1 General

Except as specified in these Plan Rules or unless otherwise approved by the Board, a Participant must not sell, assign, transfer or otherwise Encumber their Options.

7.2 Disposal Restrictions

- (a) The Board may at its absolute discretion, determine that a restriction period or other conditions will apply to some or all Shares delivered on exercise of Options, and may determine the terms and conditions applying to any such restriction period or other conditions.
- (b) If the Board determines a restriction period applies to Shares delivered on exercise of Options, a Participant must not dispose of or otherwise deal with, or purport to deal with, their Shares which are subject to a restriction period unless otherwise as required or approved by the Board.
- (c) A Participant who wishes to trade any Shares acquired under this Plan must only do so in accordance with the Securities Trading Policy.

7.3 Arrangements to enforce restrictions

The Company is entitled to make any arrangements it considers necessary to enforce the restrictions referred to in Rule 7.2 and Participants are bound by those arrangements and must take any steps reasonably required by the Company.

8 Good Leaver

8.1 Death, Total and Permanent Disablement or incapacity

If a Participant ceases to be an Employee as a result of:

- (a) death;
- (b) Total and Permanent Disablement; or
- (c) being terminated by the Company or any Group company due to being absent from work for more than three months (continuously or cumulatively) within a 12 month period, by reason of illness or injury,

all Unvested Options will be retained by the Participant in accordance with Rule 8.4 and all Vested Options will be retained by the Participant in accordance with Rule 8.5.

8.2 Retirement or genuine redundancy,

If a Participant ceases to be an Employee as a result of retirement or genuine redundancy:

- (a) that number of Unvested Options for each tranche with the same issue date calculated in accordance with the formula in this Rule 8.2(a), will be retained by the Participant in accordance with Rule 8.4,

$$RA = \text{Number of Unvested Options} \times \frac{D}{TVP}$$

Where

RA = The number of Unvested Options which the Participant may retain on becoming a Good Leaver. Where RA is not a whole number, RA will be rounded down to the nearest whole number.

D = The total number of days which have elapsed in the period beginning the date the Options last Vested (and if the Options have not yet Vested, beginning on the date of issue of the Options) and ending on the date the Participant became a Good Leaver.

TVP = The total number of days in the Vesting Period.

and

- (b) all Vested Options will be retained by the Participant in accordance with Rule 8.5.

8.3 Resignation or termination with notice

If a Participant has provided the Company with a notice of resignation or the Company terminates a Participant's employment by notice in writing:

- (a) all Unvested Options will be forfeited by the Participant and all rights of the Participant in respect of those Unvested Options that are forfeited will cease; and
- (b) all Vested Options may be retained by the Participant in accordance with Rule 8.5.

8.4 Unvested Options

- (a) If a Participant retains Unvested Options in accordance with Rule 8.1 or Rule 8.2, the provisions of Rule 5.1 will continue to apply.
- (b) Any Unvested Options that a Participant is not entitled to retain in accordance with Rule 8.1, Rule 8.2 or Rule 8.3 will be forfeited by the Participant and all rights of the Participant in respect of those Unvested Options will cease.

8.5 Vested Options

- (a) All Vested Options retained by a Participant in accordance with Rule 8.1, Rule 8.2 or Rule 8.3 may be exercised until the earlier to occur of:
- (i) the lapse of twelve months from the date the Participant ceased to be an Employee;
 - (ii) the expiration of the Exercise Period; and
 - (iii) the Last Exercise Date,
- by delivering to the Company an Exercise Notice in respect of the Vested Options.
- (b) If a Participant exercises Vested Options in accordance with Rule 8.5(a), the provisions of Rule 5.1 will continue to apply.
- (c) Any Vested Options that have not been exercised within the period specified in Rule 8.5(a) will lapse and all rights of the Participant in respect of those Options will cease.

8.6 Discretion

Notwithstanding this Rule 8, if a Participant ceases to be an Employee in circumstances other than as a Bad Leaver, the Board may determine at its absolute discretion whether a Participant will forfeit or retain their Options and the terms and conditions applicable to the forfeiture or retention of those Options.

9 Bad Leaver

If a Participant is a Bad Leaver, all Options held by that Participant will lapse and all rights of the Participant in respect of all:

- (a) unvested Options;
 - (b) exercised Options for which Shares are yet to be transferred, allotted or issued; and
 - (c) vested but unexercised Options,
- will cease.

10 Corporate Action

In the event of a Corporate Action or any other event determined by the Board at its absolute discretion, subject to the Listing Rules and any Applicable Laws, the Board may determine that:

- (a) a Participant's Unvested Options will Vest notwithstanding some or all of the Vesting Conditions have not been satisfied in which case the provisions of Rule 5 will apply;
- (b) a Participant may transfer or otherwise dispose of their Options; or
- (c) any Disposal Restrictions will be waived.

11 Trustee

11.1 Application

If the terms of an Option issued to a Participant impose Disposal Restrictions on the Shares acquired on exercise of the Option such that the Trustee holds the Shares the subject of the Option for the benefit of the Participant (**Allocated Shares**), the provisions of the Trust Deed will apply.

11.2 Rights and obligations

- (a) The Board may determine and conclude agreements with the Trustee, and enforce or prosecute any rights and obligations against the Trustee under such agreements, without reference or recourse to the Participants under this Plan.
- (b) Subject to the terms of the Trust Deed and without limiting the Company's rights in this regard, the Company may, pursuant to and in accordance with any such agreements:
 - (i) provide funds to the Trustee in order to allow the Trustee to subscribe for and/or acquire Shares to be held on behalf of Participants under this Plan;
 - (ii) compensate the Trustee for services provided in connection with this Plan and the Trust;
 - (iii) remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Shares held by the Trustee for Participants to a new trustee); and
 - (iv) otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.

11.3 **Costs**

- (a) The Board may determine the manner in which any costs associated with the Trust and the costs incurred in the course of the performance by the Trustee of its role and duties under this Plan and the Trust Deed are to be borne.
- (b) For the avoidance of doubt, no fees or charges for administering the trust will payable to the Trustee directly Participants or out of the assets of the Trust except for reasonable disbursements including brokerage and tax levied in connection with the Trust.

11.4 **Administration and holding of Shares**

The Trustee must administer the Trust and hold Shares under the Plan in accordance with this Plan, the Trust Deed and any procedures determined by the Company and as agreed to between the Board and the Trustee.

12 **Administration of the Plan**

12.1 **Board to administer Plan**

The Plan is to be administered by the Board in accordance with these Plan Rules.

12.2 **Trust**

The Plan may be administered in conjunction with an employee share trust and for these purposes, any Group company may provide monies to the trustee of the employee share trust to facilitate the granting or satisfaction of Options under the Plan.

12.3 **Delegation of Board powers and discretions**

Any power or discretion which is conferred on the Board by these Plan Rules including the power to issue Options to Eligible Employees may be delegated by the Board to any person on such terms it determines at its absolute discretion.

12.4 **Documents**

The Company may from time to time require an Eligible Employee to complete and return such documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

12.5 **Decisions of the Board Final**

All decisions of the Board as to the interpretation, effect or application of these Plan Rules and all calculations and determinations made by the Board under these Plan Rules are final, conclusive and binding in the absence of manifest error and any dispute raised will be resolved by the Board in its absolute discretion.

12.6 **Suspension of Plan**

The Board may from time to time suspend the operation of the Plan and may at any time cancel the Plan. The suspension or cancellation of the Plan must not prejudice the existing rights (if any) of Participants.

13 **Limits on capital**

The Company will comply with such legal and regulatory limits (including those imposed by the Applicable Laws or regulations of a foreign jurisdiction), which limit the percentage of the capital of the Company that may be available under this Plan from time to time as determined by the Board to be appropriate.

14 Amendment of the Plan

14.1 Board may amend

Subject to Rule 14.2 and the Listing Rules, the Board may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Plan Rules (including this Rule 14).

14.2 No alteration to existing rights

Any amendment to the provisions of these Plan Rules must not materially alter the rights of any Participant in respect of the issue of Options under the Plan prior to the date of the amendment, unless the amendment is introduced primarily:

- (a) for the purpose of complying with or conforming to present or future local or foreign legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable the Plan, the Company or any Group company to comply with any applicable local or foreign laws or any required policy of a local or foreign regulatory body.

14.3 Retrospective amendment possible

Subject to Rule 14.2, any amendment made in accordance with Rule 14.1 may be given retrospective effect as specified in the written instrument or resolution by which the amendment is made.

15 Rules for Specific Countries

15.1 General

The Board may, in its absolute discretion:

- (a) issue Options to Eligible Employees who reside outside of Australia; and
- (b) by written instrument or by resolution of the Board, introduce specific rules applicable to the issue of Options to Eligible Employees who reside outside of Australia.

15.2 Inconsistency

To the extent the provisions of any specific rule(s) introduced in accordance with Rule 15.1(b) conflict with these Plan Rules, the provisions of the specific rule(s) will apply.

15.3 Application

Unless otherwise specified, any specific rule(s) introduced in accordance with Rule 15.1(b) shall apply only to Options issued to Participants under the jurisdiction of the country that is the subject of the specific rule(s).

16 Termination of the Plan

The Plan terminates and is to be wound up:

- (a) if an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction; or
- (b) if the Board determines that the Plan is to be wound up.

17 General provisions

17.1 Rights of Participants

- (a) Nothing in these Plan Rules:
 - (i) confers on any Eligible Employee any expectation to become a Participant or a Shareholder;
 - (ii) confers on any Employee the right to be invited to apply for, to be offered or to receive any Options or Shares;
 - (iii) confers on any Participant the right to continue as an employee of the Company or any Group company;
 - (iv) affects any rights which the Company or any Group company may have to terminate the employment of any Employee; or
 - (v) may be used to increase damages in any action brought against the Company or any Group company in respect of any termination of employment.
- (b) No person, whether a Participant, Shareholder or otherwise, has any claim, right or interest in respect of the Plan or any Shares or other property of the Plan, whether against the Company or any other person, as a consequence of termination of the Employee's employment or appointment or otherwise, except under and in accordance with these Plan Rules.

17.2 Withholding

- (a) If the Company or any person (excluding the Participant) is obliged as a result of, or in connection with, the issue or Vesting of Options to account for income tax, withholding tax or employment taxes under any wage, withholding or other arrangements or for any other tax, social security contribution or levy or charge of a similar nature, that person is entitled to be reimbursed by the Participant for the amounts so paid or that will become payable.
- (b) Where Rule 17.2(a) applies, the Company is not obliged to pay the relevant amount or issue or transfer the Shares the subject of Options to the Participant unless the relevant person is satisfied that arrangements have been made for reimbursement. Such arrangements may include reimbursement prior to the amounts becoming payable by the relevant person and the sale, on behalf of the Participant, of Shares issued, allotted or transferred or otherwise to be issued, allotted or transferred to the Participant and, in the event of such a sale, the Participant must also reimburse the costs of any such sale (including brokerage).

17.3 Attorney

- (a) Each Participant, in consideration of the issue of Options, shall be deemed to irrevocably appoint the Company, and any person nominated from time to time by the Company (each an **Attorney**) severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all things necessary on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Plan Rules.
- (b) The Participant shall be deemed to covenant that the Participant shall:
 - (i) ratify and confirm any act or thing done pursuant to the powers conferred by this Rule 17; and
 - (ii) release the Company, each Group company, each Director and the Attorney (where applicable) from any liability whatsoever arising from the exercise of the powers conferred by this Rule 17,

and shall indemnify and hold harmless the Company, each Group company, each Director and the Attorney (where applicable) in respect of such powers.

17.4 Notices

- (a) Any notice, certificate, consent, approval, waiver or other communications given under these Plan Rules is deemed to have been duly given if:
- (i) sent by electronic mail or delivered by hand; or
 - (ii) sent by ordinary registered prepaid mail,
- and is deemed to have been served:
- (iii) if sent by electronic mail or delivered by hand, at the time of sending or delivery; or
 - (iv) if posted by registered prepaid mail, three Business Days (or, if posted to an address outside Australia, seven Business Days) after the date of posting.
- (b) Delivery, transmission and postage:
- (i) if not given personally, is to the last known address of an Eligible Employee or Participant;
 - (ii) is to the address of the Company set out below or such other address as the Company may notify from time to time:
Attention: Broderick Jones
Address: 44B Cambridge Street, Rocklea, Queensland 4106
Email: Broderick.Jones@lindsayaustralia.com.au

17.5 Governing Law and Jurisdiction

This Plan is governed by the laws of Queensland. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of Queensland and Australia.

18 Definitions and Interpretation

18.1 Definitions

In this document, unless the context requires otherwise:

Applicable Law means any one or more or all, as the context requires of:

- (a) the laws of Queensland;
- (b) the Corporations Act;
- (c) the Listing Rules;
- (d) the Tax Act;
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c), and (d) above; and
- (f) the Constitution; and
- (g) any other legal requirement that applies to a Plan or the Trust.

ASX means ASX Limited ABN 98 008 624 691, or the stock market conducted by it, as the context requires.

Attorney has the meaning given to that term by Rule 17.3(a).

Bad Leaver means a Participant who ceases to be an Employee:

- (a) and who the Board determines at its absolute discretion is a Bad Leaver; or
- (b) as a result of being terminated by the Group without notice and who:
 - (i) engages in serious misconduct, which has its ordinary meaning at law and includes:
 - (A) theft, dishonesty and fraud;
 - (B) misrepresentation of qualifications or employment history; and
 - (C) attending work under the influence of drugs or alcohol;
 - (ii) wilfully disobeys a lawful and reasonable direction;
 - (iii) becomes bankrupt or compounds with any of the Participant's creditors or assigns the Participant's estate for the benefit of any of the Participant's creditors;
 - (iv) breaches any obligations in respect of work health and safety, discrimination and harassment contained in that Participant's contract of employment in circumstances that, in the CEO's reasonable opinion, affects the Participant's suitability for the Position (as that term is defined in the Participant's contract of employment) or is likely to reflect adversely on the Company or any Group company;
 - (v) is charged with any offence that, in the CEO's reasonable opinion, affects the Participant's suitability for the Position (as that term is defined in the Participant's contract of employment) or is likely to reflect adversely on the Company or any Group company;
 - (vi) demonstrates gross neglect of duty or incompetence; or
 - (vii) engages in conduct that causes, or may cause, imminent and serious risk to:
 - (A) the health or safety of a person; or
 - (B) the reputation, viability or profitability of the Company or any Group company;

Board means all or some of the Directors of the Company acting as a board or a duly authorised committee of the board.

Business Day means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland.

CEO means the chief executive officer of the Company.

Company means Lindsay Australia Limited ACN 061 642 733 of 44B Cambridge Street, Rocklea, Queensland 4106.

Constitution means the constitution of the Company as amended from time to time.

Corporate Action means where:

- (a) the Board determines there are circumstances which have occurred or are likely to occur which will result in significant changes to the structure or control of the Company or the Group or any person with a controlling interest in the Company or the Group which may adversely affect the rights of or value of benefits to Participants;
- (b) offers are made to acquire all of the Shares (or all of those that the offeror does not already have a relevant interest in) and after the announcement of the offer the offeror acquires Control of the Company or the Group or offers are made to acquire all of the Shares (or all of those that the offeror does not already have a relevant interest in) by any person who has Control of the Company or the Group;
- (c) a scheme of arrangement under the Corporations Act is proposed between the Company and its shareholders; or
- (d) a resolution for a members' voluntary winding of the Company is passed.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means the director of any Group company from time to time (including an alternate director or managing director appointed in accordance with the relevant constitution).

Disposal Restrictions means such restriction on disposal or dealing in Options, or in Shares delivered on exercise of Options, as determined by the Board from time to time at its absolute discretion, including the restrictions referred to in Rule 7.

Eligible Employee means an Employee who the Board determines in its absolute discretion to issue an Option.

Employee means:

- (a) an employee, contractor or consultant of the Group;
- (b) a person to whom an offer of employment, engagement as a contractor or engagement as a consultant by the Group has been made; or
- (c) any individual who is otherwise engaged by the Group to provide services.

Encumbrance means any security interest, mortgage, lien, charge, pledge, restriction against transfer, title retention, preferential right or trust arrangement, claim, covenant, easement or any other arrangement having the same effect and **Encumber** has the corresponding meaning.

Exercise Notice means a duly completed exercise notice in respect of Vested Options signed by the Participant, in the form approved by the Board from time to time, and submitted in accordance with Rule 5.1(b).

Exercise Period means the period commencing on the First Exercise Date and ending on the Last Exercise Date but excludes any Prohibited Period as specified in the Securities Trading Policy.

Exercise Price means the price payable for the acquisition of Shares on the exercise of Vested Options and which is specified in the terms of the issue of those Options.

First Exercise Date means the first possible time Options may be exercised on Vesting, being a date determined by the Board at its absolute discretion and specified in the terms of the issue of those Options.

Good Leaver means a Participant who:

- (a) ceases to be an Employee;
- (b) the Board determines at its absolute discretion is a Good Leaver; and
- (c) is not a Bad Leaver.

Group means the Company and its Subsidiaries and Group company means any one of them.

Last Exercise Date means the last possible time Options may be exercised, being the date that is 7 years from the date of issue of those Options or such other date determined by the Board at its absolute discretion.

Listing Rules means the official listing rules of the ASX.

Market Value means, in respect of a Share on any particular date, the price of that Share as determined by the Board.

Nil Price Option means a right to acquire a Share at no Exercise Price in accordance with the Plan Rules.

Option means a right to acquire a Share at the Exercise Price in accordance with the Plan Rules and includes Nil Price Options.

Participant means an Eligible Employee to whom an Option has been issued.

Plan means the Lindsay Australia Limited Long Term Incentive (Option) Plan, being the plan constituted by these Plan Rules.

Plan Rules means the rules of the Plan set out in this document, as amended from time to time.

Prohibited Period means any non-trading or closed trading period applying to the Company's shares pursuant to the Securities Trading Policy.

Securities Trading Policy means the policy of the Company or the Group regulating trading in the shares of the Company.

Share means an ordinary share in the capital of the Company.

Shareholder means the holder of Shares.

Subsidiary has the meaning given in the Corporations Act but so that:

- (a) an entity will also be deemed to be a Subsidiary of a company if it is controlled by that company (expressions used in this paragraph have the meanings given for the purposes of Parts 2.6 and 2.7 of the Corporations Act);
- (b) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (c) a corporation or trust may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

Tax Act means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) or both, as the context requires.

Total and Permanent Disablement means the Participant, has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation with the Group for which he or she is reasonably qualified by education, training or experience.

Trust means the Lindsay Australia Limited Employee Share Trust, being an employee share trust established by the Company for the sole purpose of subscribing for or acquiring, delivering, allocating and holding Shares for the benefit of Participants and participants in other employee equity plans established by any Group company from time to time.

Trust Deed means the trust deed entered into between the Company and the Trustee in respect of the Trust.

Trustee means the trustee or trustees of the Trust, from time to time.

Unvested or Unvested Options means Options in respect of which the Vesting Conditions have not been:

- (a) satisfied as required by the terms of the relevant issue and these Plan Rules; or
 - (b) waived by the Board in accordance with these Plan Rules,
- and which have not lapsed.

Vest, Vested or Vesting means Options in respect of which the Vesting Conditions have been:

- (a) satisfied as required by the terms of the relevant issue and these Plan Rules; or
 - (b) waived by the Board in accordance with these Plan Rules,
- and which have not lapsed.

Vesting Conditions means, in respect of Options, any conditions (including any Vesting Period), determined by the Board at its absolute discretion applicable to those Options and specified in the terms of the issue to an Eligible Employee.

Vesting Notice means a notice, in the form approved by the Board from time to time, delivered by the Board to a Participant in accordance with Rule 5.1(a) in respect of the satisfaction or waiver of the Vesting Conditions.

Vesting Period means the period during which the Vesting Conditions applicable to those Options must be satisfied, as determined by the Board at its absolute discretion and specified in the terms of the issue of Option(s) to an Eligible Employee.

18.2 Interpretation

In these Plan Rules, unless the context requires otherwise:

- (a) the singular includes its plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) headings are for convenience only and do not affect interpretation;
- (d) a reference to:
 - (i) a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity;
 - (ii) a party in these Plan Rules or another document includes that party's successors, permitted substitutes or permitted assigns;
 - (iii) a particular time is a reference to that time in Brisbane, Queensland;
 - (iv) any agreement (including these Plan Rules) or document is to the agreement or document as amended, supplemented, novated or replaced from time to time;
 - (v) a clause, paragraph, schedule or annexure is to a clause, paragraph, schedule or annexure in or to these Plan Rules;
 - (vi) these Plan Rules include any schedules and annexures to it;
 - (vii) writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible or tangible form; and
 - (viii) legislation (including subordinate legislation) or a provision of it is to that legislation or provision as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (e) words such as including or for example do not limit the meaning of the words preceding them;
- (f) an obligation or liability assumed by, or a right conferred on, two or more parties binds or benefits all of them jointly and each of them severally; and
- (g) nothing in these Plan Rules is to be interpreted against a party solely on the ground that the party or its advisers drafted it.

18.3 Inconsistency

In the event of an inconsistency between these Plan Rules, the terms of an offer or issue of Options, and the terms of the Trust Deed, the terms of these Plan Rules prevail over the terms of the issue of those Options and the Trust Deed.