

ARB CORPORATION LIMITED

ACN 006 708 756

BONUS SHARE PLAN RULES

1. INTERPRETATION

1.1 Definitions

In these Rules, unless the context otherwise requires:

“**Act**” means the Corporations Act 2001 Cth of Australia;

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of directors of the Company;

“**BSP**” means the ARB Corporation Limited Bonus Share Plan adopted by the Board and regulated by these Rules;

“**BSP Election Date**” means the last date by which Election Forms, Variation Notices and other notices referred to in clause 9.3 must be received by the Company at the Share Register in relation to a particular Dividend, which date shall be three Business Days after the Record Date for the relevant Dividend;

“**BSP Participating Share**” means a fully paid Share in respect of which the Shareholder is participating in the BSP;

“**Business Day**” means a day upon which ASX is open for trading in securities;

“**Company**” means ARB Corporation Limited ACN 006 708 756;

“**Constitution**” means the constitution of the Company;

“**Dividend**” means a dividend declared by the Board of the Company in respect of Shares;

“**DRP**” means the ARB Corporation Limited Dividend Reinvestment Plan adopted by the Board (if any);

“**Election Form**” means a form completed online at the Share Registry electing to participate in the BSP or a written application

to participate in the BSP signed by a Shareholder (or each Shareholder in the case of a joint shareholding) under clause 3.1 in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with or form part of, any other form or notice (including a Variation Notice);

“**Ex-Dividend Date**” means the date on which Shares in the Company are quoted on ASX on an ex-dividend basis with respect to a Dividend;

“**Full Participation**” has the meaning set out in clause 3.2 (a);

“**Market Price**” of a Share means the price determined by the Board to be the volume weighted average market price (on an “ex dividend” basis) of all Shares sold on ASX on the five Business Days immediately subsequent to and inclusive of the Ex-Dividend Date **PROVIDED HOWEVER** that where no sales are recorded over the aforementioned period or if, in the opinion of the Board, in its absolute discretion, the market for shares in the Company is affected by any unusual or extraordinary circumstances, the “Market Price” of a Share means the fair ex-dividend market value of a Share given the relevant circumstances as determined by the Board in its absolute discretion;

“**Non-Participating Share**” means a fully paid Share that is not a BSP Participating Share;

“**Partial Participation**” has the meaning set out in clause 3.2 (b);

“**Participant**” means a Shareholder in respect of the Shareholder’s BSP Participating Shares;

“**Participation**” means Full Participation or Partial Participation;

“**Price Cap**” means the maximum amount in dollars per Share (if any) as determined by the Board, in its absolute discretion, and

announced to ASX on the day a Dividend is declared by the Board, for the purposes of calculating the number of Shares to be allotted to a Participant in the BSP in accordance with clause 4.3;

“Record Date” means the date on which entitlements to a particular Dividend are determined as notified by the Company to ASX;

“Register” means the Company’s share register maintained under sections 168 and 169 of the Act;

“Rules” means these Rules as may be amended from time to time pursuant to clause 13;

“Share” means a fully paid ordinary share in the capital of the Company and any other share in the Company that the Board may from time to time determine to be a “Share” for the purposes of these Rules;

“Shareholder” means, subject to clause 1.4, the person or entity whose name is (or in the case of a joint shareholding, all the persons or entities whose names are) entered in the Register as the holder of a Share;

“Share Registry” means Computershare Investor Services Pty Limited ACN 078 279 277 or such other share registry as the Company may from time to time determine by notice to Participants; and

“Variation Notice” means a notice completed online at the Share Registry to vary an election or a written notice signed by a Shareholder (or each Shareholder in the case of a joint shareholding) in accordance with clause 8.1 in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with, or form part of, any other form or notice including an Election Form.

1.2 General

In these Rules, unless the context otherwise requires:

(a) a reference to any legislation or legislative provision includes any

statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;

(b) the singular includes the plural and vice versa;

(c) a reference to any gender includes all genders;

(d) a word denoting an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government and vice versa;

(e) references to clauses are to clauses of these Rules;

(f) an expression defined in these Rules has the same meaning throughout;

(g) a reference to any document is to that document (and, where applicable, any of its provisions) as amended, supplemented or replaced from time to time; and

(h) a reference to “dollars” or “\$” is to Australian currency.

1.3 Headings

In these Rules, headings are for convenience of reference only and do not affect interpretation.

1.4 Separate SRNs or HINs

Where a Shareholder is, in respect of a distinct number of Shares held by that Shareholder, shown in the Register with separate shareholder reference numbers (“**SRN**”) or holder identification numbers (“**HIN**”), for the purpose of these Rules, the Shareholder is taken to be a separate and distinct Shareholder in relation to each such SRN and each such HIN and Shares that may from time to time be entered in the Register in relation to that SRN and HIN.

2. PARTICIPATION IN THE PLAN

2.1 Optional Participation

Participation in the BSP by a Shareholder is optional (at the choice of the Shareholder).

2.2 Eligible Shareholders

Except as provided in clause 2.3, each Shareholder is eligible to participate in the BSP subject to:

- (a) these Rules and the Constitution;
- (b) if the Shareholder resides, or is shown in the Register as having an address, outside Australia, any applicable law of Australia or any other country; and
- (c) any limitation on shareholding in the Company or participation in the BSP imposed by any law.

2.3 Non Resident Shareholders

The Board may determine that a shareholder is not eligible to participate in the BSP if the registered address of that Shareholder is in a country or place where the offer of a right to so participate would or might be unlawful, impossible or impracticable.

3. EXTENT OF PARTICIPATION

3.1 Election to Participate

An election to participate in the BSP may, subject to these Rules, only be made by a Shareholder giving an Election Form to the Company at the Share Registry by 5.00pm on the BSP Election Date.

3.2 Extent of Participation

Subject to these Rules, a Shareholder may participate in the BSP in respect of either:

- (a) all Shares entered in the Register in the Shareholder's name ("**Full Participation**"); or
- (b) a specific number of the Shares entered in the Register in the Shareholder's name ("**Partial Participation**").

However, if the nominated number of shares for participation in the BSP is greater than or equal to the number of Shares entered in the Register in the Shareholder's name at the Record Date, then the provisions of the BSP in respect of that Dividend payment will, subject to clauses 12 and 13, apply to all Shares held by the Shareholder.

3.3 Election to Participate

A Shareholder must specify in an Election Form the extent to which the Shareholder wishes to participate in the BSP by specifying either:

- (a) Full Participation; or
- (b) Partial Participation.

3.4 Full Participation

In the case of Full Participation, all Shares entered in the Register in the Shareholder's name at the time of commencement of Full Participation and all Shares subsequently entered in the Register in the Shareholder's name are subject to the BSP.

3.5 Partial Participation

In the case of Partial Participation, the only Shares entered in the Register in the Shareholder's name to which the BSP will apply, are the number of Shares specified by the Shareholder for participation in the BSP in accordance with clause 3.2(b).

3.6 Deemed Full Participation

An Election Form which does not specify the extent of participation in the BSP will be deemed to be for Full Participation and the Company will not be liable to a Shareholder for any loss, damage or claim in respect of that Shareholder's Participation as a result of the operation of this provision.

3.7 Dividend Reinvestment Plan – Effect on BSP Participation

If a DRP is also in operation, subject to the rules of the DRP:

- (a) a Shareholder may, in respect of Shares entered in the Register in the Shareholder's name, elect Partial Participation in both the BSP and the DRP but Shares participating in the DRP cannot simultaneously participate in the BSP; and
- (b) if a Shareholder elects to participate in both the BSP and DRP to such an extent that the aggregate number of Shares nominated to participate in both the BSP and DRP is greater than the number of Shares entered in the Register in the Shareholder's name at the Record Date, the Company may, without notice to the Shareholder and at the discretion of the Company, reject the Election Form or may determine the extent of participation of the Shareholder in the BSP and DRP in such way as the Company, in its discretion, deems fit. The Company shall not be liable to the Shareholder for any loss, damage or claim in respect of that Shareholder's participation in either or both of the BSP or DRP as a result of the operation of this provision.

4. OPERATION OF BSP

4.1 Commencement of BSP

The BSP commenced on 20 February 2018, being the date on which the Board resolved to recommence the BSP.

4.2 Application of BSP

- (a) The BSP applies to Dividends in respect of which the Board may determine in its absolute discretion the BSP is to apply.
- (b) A Shareholder who applies to participate in the BSP shall by making such application be deemed to have elected pursuant to Article 95 of the Company's Constitution that the relevant Dividend to which the BSP may apply, shall not be declared or paid in respect of that Shareholder's BSP Participating Shares and that in lieu of the relevant Dividend, Participants who hold BSP

Participating Shares on the Record Date will be issued fully paid bonus Shares.

- (c) The relevant Dividend shall not be declared or paid in respect of a Shareholder's BSP Participating Shares but:
 - (i) the Shareholder shall be deemed for all other purposes of the Company's Constitution to have those entitlements in relation to the profits of the Company which the Shareholder would have had if those Shares were not BSP Participating Shares; and
 - (ii) the Shareholder shall in respect of those BSP Participating Shares be entitled to the benefits provided in these Rules.

4.3 Number of Shares

Subject to the discretion of the Board, the number of Shares ("S") to be allotted to a Participant in accordance with clause 4.2(b) is to be determined in accordance with the following formula:

$$S = \frac{N \times D}{\text{(Lower of M and C)}}$$

Where:

- N is the number of BSP Participating Shares held by the Participant on the Record Date;
- D is the amount in dollars per Share of the Dividend which would have been payable on a BSP Participating Share if such Share had not been a BSP Participating Share;
- M is the amount in dollars per Share of the Market Price reduced by the discount (as determined by the Board from time to time in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board); and

C is the Price Cap in dollars per Share for the relevant Dividend or, if there is no Price Cap for the relevant Dividend, C is equal to M.

4.4 Whole Number

If any number determined in accordance with the formula in clause 4.3 is not a whole number, that number is to be rounded to the nearest whole number.

4.5 Less than one Share

Clause 4.3 does not apply in respect of a Participant where the number determined in accordance with the formula in clause 4.3 is less than one, in which case no Shares are to be issued under the BSP to that Participant and the Participant is to be paid the Distribution Amount in money.

5. SHARES ISSUED UNDER THE BSP

Shares issued under the BSP to a Participant:

- (a) must be issued in accordance with the Constitution;
- (b) rank equally in all respects with existing BSP Participating Shares of the same class; and
- (c) must be entered in the same part of the Register as the part in which the Participant's BSP Participating Shares are entered at the time of the issue.

6. COSTS TO PARTICIPANTS

No brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in respect of any issue of Shares under the BSP.

7. STATEMENTS TO PARTICIPANTS

After each issue made under clause 4.3, the Company must forward to each Participant a statement detailing, as at the date of that issue:

- (a) the number of the Participant's BSP Participating Shares at the relevant

Record Date based on elections received by the BSP Election Date; and

- (b) the number of Shares issued to the Participant under the BSP by that issue.

8. VARIATION OR TERMINATION OF PARTICIPATION

8.1 Variation of Participation

Subject to clause 9, a Participant may by giving a Variation Notice to the Company prior to the BSP Election Date:

- (a) increase or decrease the number of the Participant's BSP Participating Shares; or
- (b) terminate the Participant's Participation in the BSP.

8.2 Death or Bankruptcy of Participant

If a Participant dies or becomes bankrupt, Participation by the Participant and any other Participants with whom the deceased or bankrupt was a joint Participant terminates with effect from the time the Company receives notice of the death or bankruptcy of that Participant as the case may be.

9. TRANSFER OF BSP PARTICIPATING SHARES

9.1 Transfer of all Shares

Where a Participant transfers all of the Participant's Shares, the Participant is treated as having given notice to the Company to terminate Participation in the BSP on the last date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

9.2 Transfer of some Shares

Where a Participant transfers some of the Participant's Shares, the Shares so transferred are taken to comprise:

- (a) first, Shares which are Non-Participating Shares of that Participant (if any) and which are not participating in the DRP;

- (b) secondly, to the extent that the number of Shares referred to in clause 9.2 (a) is insufficient to make up the full parcel of Shares transferred, Shares of that Participant participating in the DRP; and
- (c) thirdly, to the extent that the number of Shares referred to in clauses 9.2(a) and (b) is insufficient to make up the full parcel of Shares transferred, BSP Participating Shares of that Participant.

9.3 Cessation of Participation

A BSP Participating Share shall not cease to be a BSP Participating Share pursuant to a transfer unless or until the transfer has been registered in accordance with the Constitution and any other relevant legal requirements.

10. ELECTION AND NOTICES

10.1 Form

Election Forms, Variation Notices and notices referred to in clause 9.3 can be online forms managed by the Share Registry or be in writing and must be in the form prescribed or approved by the Board from time to time.

10.2 Effectiveness of Notices

Notices under these Rules (including, without limitation, Election Forms, Variation Notices and notices referred to in clause 9.3) will be effective on receipt by the Company at the Share Registry subject to:

- (a) these Rules;
- (b) in the case of Election Forms, Variation Notices or notices referred to in clause 9.3:
 - (i) approval by the Board which may be withheld in any case (in its absolute discretion);
 - (ii) the appropriate entry having been made in the Register in respect of the BSP Participating Shares to which the Election Form, Variation Notice or notice referred to in clause 9.3 relates to record the

Participation of the Participant in the BSP, or the variation of the Participation of the Participant in the BSP or the transfer (as the case requires);

- (iii) receipt by the Company by not later than 5.00pm on the relevant BSP Election Date in respect of the Dividend; and
- (iv) any other restrictions as to the period of notice which the Board may impose from time to time.

10.3 Time takes effect

Where an Election Form, Variation Notice or notice referred to in clause 9.3 has been approved and the appropriate entry has been made in the Register, the Election Form, Variation Notice or notice referred to in clause 9.3 shall take effect as from the time at which the entry was made.

10.4 Approval

Approval of an Election Form, Variation Notice or notice referred to in clause 9.3 may be withheld in any case at the absolute discretion of the Board, including, without limitation, if the Board has determined that approval of that Election Form, Variation Notice or notice referred to in clause 9.3 would prejudice the effective operation of the BSP or otherwise be contrary to law or equity.

10.5 Notice by Transferee or Transmittee

An Election Form, Variation Notice or notice under clause 9.3 given by a transferee or transmittee of Shares may be treated by the Company as an effective notice for the purposes of these Rules notwithstanding that the Shares were not registered in the name of the transferee or transmittee at the time the Election Form, Variation Notice or notice under clause 9.3 was given.

10.6 Invalid Notices

The Company is under no obligation to correct invalid Election Forms, Variation Notices or notices under clause 9.3 on behalf of Shareholders.

10.7 Notice by Company

A notice required by these Rules to be given to Shareholders may be served on Shareholders at such time as the Board thinks fit by:

- (a) despatch of the notice in writing to each Shareholder in accordance with the Constitution; or
- (b) public announcement of the notice to ASX (in which case the date on which the notice is deemed to be served on Shareholders shall be the date on which the notice is first announced to ASX); or
- (c) both the methods specified in paragraphs (a) and (b) immediately above (in which case the date on which the notice is deemed to be served on Shareholders shall be the date on which the notice is first announced to ASX).

11. STOCK EXCHANGE LISTING

While Shares in the Company are granted official quotation by ASX, the Company must apply for official quotation by ASX of Shares issued under the BSP.

12. SUSPENSION OF PLAN

12.1 Suspension

The Board in its absolute discretion may suspend the operation of the BSP including (but not limited to) when in the opinion of the Board the continued operation of the BSP is impractical or may be prejudicial to the Company or any of its Shareholders.

12.2 Period of Suspension

Suspension of the BSP shall take effect on and from the time the Board so resolves and shall continue until such time as the Board resolves either to recommence or to terminate the BSP. The date of any recommencement or termination of the BSP must be notified to Shareholders.

12.3 Effect of Suspension

As of the date of suspension and subject to clause 12.5, any Shares which may have been BSP Participating Shares immediately prior to that date shall cease to participate in the BSP and shall accordingly cease to be BSP Participating Shares, notwithstanding the entries which may appear in the Register on that date. During the period of the suspension of the BSP, no Shares in the Company shall participate in the BSP, and no Shares shall be BSP Participating Shares for the purposes of these Rules notwithstanding the entries which may appear in the Register from time to time.

12.4 Recommencement

The Board in its absolute discretion may resolve to recommence the suspended BSP at any time on such conditions as it thinks fit. The date of any any conditions relating to any recommencement of the BSP must be notified to shareholders.

12.5 Effect of Recommencement

As at the date of any recommencement of the BSP, any Shares on the Register at that date which would have been Participating Shares but for the operation of clause 12.3 shall become Participating Shares provided notice is given to Shareholders.

13. VARIATION, MODIFICATION AND TERMINATION OF THE BSP

13.1 Variation Modification and Termination of BSP

The BSP may be varied, modified or terminated by the Board in its absolute discretion (subject to the Constitution) at any time by notice to Shareholders. The variation, modification or termination of the BSP shall take effect on and from the day the notice to vary, modify or terminate the BSP becomes effective pursuant to these Rules.

13.2 Effect of Modification

A Participant will be taken to continue to participate in the BSP as varied or modified unless the Company is notified to the contrary by the Participant giving the Company an Election Form or Variation Notice.

14. GENERAL

14.1 Dispute Resolution

The Board may settle, in the manner it considers appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of the BSP (or its operation) whether generally or in relation to any Participant or any Shares and the decision of the Board is conclusive and binding on all Participants and other persons to whom the decision relates.

14.2 Entries Conclusive

Subject to clause 12, the entries which have been made in the Register in respect of a Participant at any time pursuant to these Rules shall be conclusive in determining whether or not a Share is a BSP Participating Share and whether the holder of the Share at that time has the corresponding rights which attach under these Rules to a BSP Participating Share.

14.3 Errors in Register

Neither the Company nor any of its officers, employees or advisers shall be liable in any way whatsoever to Shareholders for errors or omissions in the making of entries in the Register pursuant to these Rules or in the administration of the BSP.

14.4 Omission to give notice

The accidental omission to give notice of re-commencement, variation, modification, suspension or termination or the non-receipt of any notice by any Shareholder shall not invalidate the re-commencement, variation, modification, suspension or termination of the BSP.

14.5 Taxation

The Company takes no responsibility for the taxation liabilities or arrangements of Shareholders and Participants and as individual circumstances may vary considerably, Shareholders and Participants should obtain their own specific taxation advice with respect to the BSP.

14.6 Waive Compliance

The Board reserves the right to waive strict compliance with any of the provisions of these Rules.

14.7 Governing Law

The BSP and its operations and the terms and conditions set out in these Rules shall be governed by the laws of Victoria.