LINDSAY CORP
Form DEF 14A
December 19, 2011
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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

Lindsay Corporation

(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.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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(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):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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LINDSAY CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

January 30, 2012

The Annual Meeting of Stockholders of Lindsay Corporation (the Company) will be held at the Company s corporate offices at 2222 North 111th Street, Omaha, Nebraska, on Monday, January 30, 2012, at 8:30 a.m., Central Standard Time, for the following purposes:

(1) To elect two (2) directors for terms ending in 2015.

(2) To ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending August 31, 2012.

(3) To take a non-binding vote on a resolution to approve the compensation of the Company s most highly paid executive officers.

(4) To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

A Proxy Statement setting forth important information with respect to each of the matters being submitted to the stockholders is enclosed with this Notice of Annual Meeting.

Only stockholders holding shares of the Company s common stock of record at the close of business on December 2, 2011 are entitled to notice of, and to vote at, the Annual Meeting. The Board of Directors is soliciting proxies to vote on behalf of all stockholders, whether or not they expect to be present at the Annual Meeting. Each stockholder is encouraged to vote by proxy on the internet or by telephone as instructed on the enclosed proxy card or by completing the enclosed proxy card and mailing it in the return envelope enclosed for that purpose. Even if you vote by proxy on the internet, by telephone or by mail, you may revoke your proxy at any time prior to the Annual Meeting, and stockholders who are present at the Annual Meeting may withdraw their proxies and vote in person.

By Order of the Board of Directors

/s/ Eric R. Arneson
Eric R. Arneson, Secretary

Omaha, Nebraska

December 19, 2011

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER SOLICITATION FOR PROXIES TO ENSURE A QUORUM AT THE ANNUAL MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on January 30, 2012. The Proxy Statement for this Annual Meeting and Annual Report are available online at http://www.lindsayannualmeeting.com.

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LINDSAY CORPORATION

PROXY STATEMENT

for

2012 ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting of Stockholders of Lindsay Corporation (the Company) to be held on Monday, January 30, 2012, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Only record holders of the Company s common stock at the close of business on December 2, 2011 are entitled to vote at the Annual Meeting.

The accompanying proxy is solicited on behalf of the Board of Directors of the Company and is revocable at any time before it is exercised by written notice of revocation delivered to the Secretary of the Company or by filing a later dated proxy with him. Furthermore, stockholders who are present at the Annual Meeting may withdraw their proxies and vote in person. All shares of the Company s common stock represented by properly executed and unrevoked proxies will be voted by the Board of Directors of the Company in accordance with the directions given therein. Where no instructions are indicated, proxies will be voted in accordance with the recommendation of the Board of Directors with respect to each of the proposals set forth in this Proxy Statement for consideration at the Annual Meeting. Shares of common stock entitled to vote and represented by properly executed, returned and unrevoked proxies will be considered present at the Annual Meeting for purposes of establishing a quorum, including shares with respect to which votes are withheld, abstentions are cast or there are broker non-votes.

The principal executive offices of the Company are located at 2222 North 111th Street, Omaha, Nebraska 68164.

This Proxy Statement and the proxy cards are first being mailed to stockholders on or about December 23, 2011.

Voting Securities and Beneficial Ownership

Thereof by Principal Stockholders, Directors and Officers

At the record date, there were 12,699,038 shares of the Company s common stock issued and outstanding. Each share of common stock is entitled to one vote upon each matter to be voted on at the Annual Meeting. Stockholders do not have the right to cumulate votes with respect to the election of directors.

The following table sets forth, as of December 2, 2011, the beneficial ownership of the Company s common stock by each director, by each nominee to become a director, by each of the executive officers named in the Summary Compensation Table (the Named Executive Officers), and by all current executive officers and directors of the Company as a group. The shares beneficially owned by executive officers and directors of the Company represent approximately 2.0% of the total shares outstanding on the record date and entitled to vote at the Annual Meeting. The Board of Directors believes that all of these shares will be present at the Annual Meeting and will be voted in accordance with the recommendation of the Board of Directors with respect to each proposal being considered at the Annual Meeting. In addition, executive officers, directors and nominees to become a director are deemed to beneficially own shares which they may acquire upon the exercise of vested stock options or options that will vest within 60 days of the record date. These shares are not outstanding and may not be voted at the Annual Meeting. The following table also sets forth the beneficial ownership of the Company s common stock by each other stockholder believed by the Company to beneficially own more than 5% of the outstanding shares of the Company s common stock.

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Name	September 30, Number of Shares Beneficially Owned[1]	September 30, Percent of Class
Directors and Executive Officers		
Howard G. Buffett, Director	30,337 [2]	*
Michael N. Christodolou, Director and Chairman of the Board	21,878 [2]	*
W. Thomas Jagodinski, Director	2,939[2]	*
J. David McIntosh, Director	17,743[2]	*
Michael C. Nahl, Director	12,707[2]	*
Michael D. Walter, Director	4,639[2]	*
William F. Welsh II, Director	18,657[2]	*
Richard W. Parod, Director, President and Chief Executive Officer	202,797[2]	1.6%
James C. Raabe, Vice President and Chief Financial Officer	591[2]	*
David B. Downing, President International Operations	13,071[2]	*
Barry A. Ruffalo, President Irrigation Business	4,626[2]	*
Steven S. Cotariu, President Infrastructure Business	2,412[2]	*
Timothy J. Paymal, Vice President of Finance Irrigation	3,743[2]	*
All executive officers and directors as a group (12 persons)	332,397[2]	2.6%
Other Stockholders		
Neuberger Berman Management, LLC [3]	1,511,500	11.9%
BlackRock Fund Advisors [4]	829,466	6.5%
INVESCO PowerShares Capital Management LLC [5]	654,711	5.2%
The Vanguard Group, Inc. [6]	639,815	5.0%

* Represents less than 1% of the outstanding shares of the Company s common stock.

(1) Each stockholder not shown as being part of a group owns all outstanding shares directly and has sole voting and investment power over such shares, or shares such power with a spouse.

(2) Includes 5,062; 1,013; 0; 10,124; 7,088; 0; 3,038; 45,000; 0; 0; 0; 0; 0; and 71,325 shares which may be acquired currently or within 60 days of December 2, 2011 pursuant to the exercise of options by Messrs. Buffett, Christodolou, Jagodinski, McIntosh, Nahl, Walter, Welsh, Parod, Raabe, Downing, Ruffalo, Cotariu, Paymal, and the current executive officers and directors as a group, respectively. Shares owned by Mr. Paymal are not included in the executive officers and directors as a group calculation as he was not an executive officer at the record date.

(3) The address for this stockholder is 605 Third Avenue, New York, NY 10158-3698.

(4) The address for this stockholder is 400 Howard Street, San Francisco, CA 94105.

(5) The address for this stockholder is 301 West Roosevelt Road, Wheaton, IL 60187-5053.

(6) The address for this stockholder is 100 Vanguard Boulevard, Valley Forge, PA 19355.

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Section 16(a) Beneficial Ownership

Reporting Compliance

The rules of the Securities and Exchange Commission require the Company to disclose the identity of directors and executive officers and of beneficial owners of more than 10% of the Company s common stock who did not file on a timely basis reports required by Section 16 of the Securities Exchange Act of 1934, as amended. Based solely on review of copies of those reports received by the Company, or written representations from reporting persons, the Company believes that all directors, executive officers and 10% beneficial owners complied with all filing requirements applicable to them during the Company s fiscal year ended August 31, 2011, except that an award of Restricted Stock Units convertible into shares of the Company s common stock made to Mr. Raabe on June 13, 2011 was not reported to the Securities and Exchange Commission until June 16, 2011.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company s Bylaws require that the Board of Directors be divided into three classes that are elected to the Board on a staggered basis for three year terms. At the Annual Meeting, the terms of two directors will terminate and stockholders will be voting on nominees to fill these two positions on the Board. Accordingly, the Board of Directors, upon recommendations made by the Corporate Governance and Nominating Committee, has nominated Richard W. Parod and Michael D. Walter to serve as directors for terms ending in 2015. Messrs. Parod and Walter are current directors of the Company. Both Mr. Parod and Mr. Walter have expressed an intention to serve, if elected, and the Board of Directors knows of no reason why either of them might be unavailable to continue to serve, if elected. There are no arrangements or understandings between Messrs. Parod and Walter and any other person pursuant to which they were nominated to serve on the Board of Directors.

The election of a director requires the affirmative vote of a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote. Consequently, votes withheld and broker non-votes with respect to the election of directors will have no impact on the election of directors. If either of Messrs. Parod or Walter is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute nominee as the Corporate Governance and Nominating Committee may recommend to the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF MESSRS. PAROD AND WALTER AS DIRECTORS OF THE COMPANY WITH TERMS ENDING IN 2015.

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Board of Directors and Committees

The following sets forth certain information regarding the directors of the Company, including the two directors who have been nominated to serve for new terms expiring in 2015. Information is also provided concerning each director s specific experience, qualifications, attributes or skills that led the Board of Directors to conclude that each of them should serve as a director of the Company. The Board of Directors has determined that each of Messrs. Buffett, Christodolou, Jagodinski, McIntosh, Nahl, Welsh, and Walter are independent directors of the Company under the listing standards adopted by the New York Stock Exchange.

NOMINEES FOR ELECTION Terms to expire in 2015

Richard W. Parod, age 58, is the President and Chief Executive Officer of the Company, a position he has held since April 2000. Prior to joining the Company, Mr. Parod served as the Vice President and General Manager of Toro Irrigation, a division of The Toro Company, from 1997 to March 2000. From 1993 to 1997, he was an executive officer of James Hardie Irrigation, serving as President of that company from 1994 to 1997. Mr. Parod has also been a director of the Company since 2000 and is the only executive officer of the Company serving on the Board of Directors. As the Company s chief executive for the past 11 years, Mr. Parod has gained an extensive knowledge of the Company s operations and lines of business, its long-term strategies and domestic and international growth opportunities which provide him with the relevant experience to serve on the Company s Board of Directors.

Michael D. Walter, age 62, is the President of Mike Walter & Associates, a risk management consulting firm providing strategic guidance in general business and economic trends. Prior to forming Mike Walter & Associates in 2006, Mr. Walter served in various leadership positions with ConAgra Foods, a large agribusiness conglomerate headquartered in Omaha, Nebraska, including his most recent position of Senior Vice President, Economic & Commercial Affairs. Mr. Walter also serves on the Board of Directors of AgroTech Foods and Richardson International. Mr. Walter previously served on the Board of Directors of the Chicago Board of Trade from 2000 until 2007. Mr. Walter has been a director of the Company since 2009 and is a member of the Audit Committee and the Compensation Committee. Through his experience as a senior executive at ConAgra Foods and as a director of various companies in the agribusiness and commodities markets, Mr. Walter has gained significant experience in risk management oversight, strategic development and management of public and governmental affairs, all of which provide him with the relevant experience to serve on the Company s Board of Directors. These experiences have given Mr. Walter an understanding of accounting principles, internal controls and audit committee functions; as a result the Board has determined that he qualifies as an audit committee financial expert.

DIRECTORS CONTINUING IN OFFICE

Howard G. Buffett, age 56 (current term to expire in 2013), is the President of Buffett Farms, a commercial farming operation, and President of the Howard G. Buffett Foundation, a private charitable foundation. From 1996 to 2001, Mr. Buffett served as Chairman of the Board of Directors of The GSI Group, a manufacturer of steel farm bins, commercial storage grain bins and grain silos. Prior to that time, he was the Corporate Vice President, Assistant to the Chairman and a director of the Archer Daniels Midland Company. Mr. Buffett currently serves as a director of Berkshire Hathaway, Inc. and The Coca-Cola Company and has previously served on the Board of Directors of ConAgra Foods, Inc., Coca-Cola Enterprises Inc. and AgroTech Foods. Mr. Buffett also serves as a United Nations Ambassador Against Hunger and as trustee of various non-profit organizations. Mr. Buffett has been a director of the Company since 1995 and is a member of the Corporate Governance and Nominating Committee. Mr. Buffett s extensive board experience and his philanthropic experience with numerous humanitarian and environmental conservation projects, along with his knowledge of farming operations and broad international socio-economic issues, provide him with the relevant experience to serve on the Company s Board of Directors.

Michael C. Nahl, age 69 (current term to expire in 2013), is the retired Executive Vice President and Chief Financial Officer of Albany International Corp., the world s largest manufacturer of custom-designed engineered fabrics called paper machine clothing. Mr. Nahl joined Albany International Corp. in 1981 as Group Vice President, Corporate, served as Senior Vice President and Chief Financial Officer from 1983 to 2005 and was appointed as Executive Vice President in 2005. Mr. Nahl retired as Executive Vice President and Chief Financial Officer of Albany International Corp. in September 2009. Mr. Nahl currently serves as Managing Director of MCN Asset Management, LLC, a private asset management company. Mr. Nahl is a director of GrafTech International Ltd. and Trans World Entertainment Corporation. Mr. Nahl has been a director of the Company since 2003 and is a member of the Audit Committee. Mr. Nahl s experience as a senior financial executive of a multinational public company

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and as chairman of the audit committee of two public companies (previously at Lindsay Corporation and currently at GrafTech International Ltd.), along with his knowledge of international operations and foreign currency exchange rate risks, provide him with the relevant experience to serve on the Company s Board of Directors. These experiences have given Mr. Nahl an understanding of accounting principles, internal controls and audit committee functions; as a result the Board has determined that he qualifies as an audit committee financial expert.

William F. Welsh II, age 69 (current term to expire in 2013), is the retired Chairman of Election Systems & Software, Inc., a provider of specialized election equipment and software. Mr. Welsh served as President and Chief Executive Officer of Election Systems & Software, Inc. from 1995 to 2002. From 2000 to 2003, Mr. Welsh served as Chairman of the Board of Directors of Election Systems & Software. Mr. Welsh currently serves as the Chairman of the Board of Directors of Ballantyne Strong Inc. Mr. Welsh has been a director of the Company since 2001 and serves as the Chairman of the Compensation Committee. He is also a member of the Audit Committee and the Corporate Governance and Nominating Committee. Mr. Welsh s prior executive level leadership experience and chief executive officer experience, along with his extensive knowledge of the irrigation and infrastructure markets, provide him with the relevant experience to serve on the Company s Board of Directors. These experiences have given Mr. Welsh an understanding of accounting principles, internal controls and audit committee functions; as a result the Board has determined that he qualifies as an audit committee financial expert.

Michael N. Christodolou, age 50 (current term to expire in 2014), is the Manager of Inwood Capital Management, LLC, an investment management firm he founded in 2000. From 1988 to 1999, Mr. Christodolou was employed by Barbnet Investment Co., formerly Taylor & Co., an investment consulting firm providing services to certain entities associated with members of the Bass family of Fort Worth, Texas. Mr. Christodolou previously served on the Board of Directors of XTRA Corporation from 1998 until 2001 when it was acquired by Berkshire Hathaway Inc. Mr. Christodolou has been a director of the Company since 1999 and currently serves as the Chairman of the Board of Directors. He is also the Chairman of the Company s Corporate Governance and Nominating Committee and serves as a member of both the Audit Committee and the Compensation Committee. Mr. Christodolou has over 28 years experience in investment management and working with the management teams and boards of public companies on matters including corporate strategy, capital structure and mergers and acquisitions. His knowledge of the investment and capital markets and his experience as a director of public companies provide him with the relevant experience to serve on the Company s Board of Directors. These experiences have given Mr. Christodolou an understanding of accounting principles, internal controls and audit committee functions; as a result the Board has determined that he qualifies as an audit committee financial expert.

W. Thomas Jagodinski, age 55 (current term to expire in 2014), is the retired President and Chief Executive Officer of Delta and Pine Land Company, a leader in the cotton seed industry. Mr. Jagodinski was President, Chief Executive Officer and Director of Delta and Pine Land Company from September 2002 until June 2007 when the company was acquired by another company. From 1991 to 2002, he served in various executive roles at Delta and Pine Land Company including Senior Vice President, Chief Financial Officer and Treasurer. Mr. Jagodinski currently serves on the Board of Directors and as Audit Committee Chair of Solutia Inc. and as Chairman of the Board of Directors of Phosphate Holdings, Inc. Mr. Jagodinski has been a director of the Company since 2008 and is the Chairman of the Audit Committee. Mr. Jagodinski s experience in public accounting and as a chief executive officer, chief financial officer and director of public companies, along with his experience in risk management and compliance oversight, provide him with the relevant experience to serve on the Company s Board of Directors. These experiences have given Mr. Jagodinski an understanding of accounting principles, internal controls and audit committee functions; as a result the Board has determined that he qualifies as an audit committee financial expert.

J. David McIntosh, age 68 (current term to expire in 2014), is the retired Executive Vice President of The Toro Company, a manufacturer of turf maintenance equipment and precision irrigation systems. Mr. McIntosh served as Group Vice President of Professional and International Business Divisions of The Toro Company from 1996 until August 1998 when he was appointed Executive Vice President. Mr. McIntosh had been employed by The Toro Company for 26 years prior to retiring on January 31, 2002. Mr. McIntosh has been a director of the Company since 2002 and is a member of the Corporate Governance and Nominating Committee and the Compensation Committee. Mr. McIntosh s experience as a senior executive of a public company, along with his knowledge of manufacturing operations, the irrigation business and international markets, provide him with the relevant experience to serve on the Company s Board of Directors.

Information regarding executive officers of the Company is found in the Company s Annual Report which has been supplied with this Proxy Statement.

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Corporate Governance

The Board of Directors operates pursuant to the provisions of the Company s Certificate of Incorporation and Bylaws as well as a set of Corporate Governance Principles which address a number of items, including the qualifications for serving as a director, the responsibilities of directors and board committees and the compensation of directors. The Company has adopted a Code of Ethical Conduct that applies to the Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and Corporate Controller, as required by Section 406 of the Sarbanes-Oxley Act of 2002. Additionally, the Company maintains a Code of Business Conduct and Ethics for all persons associated with the Company, including its directors, officers and employees, that complies with the listing standards adopted by the New York Stock Exchange. Both of these codes and the Company s Corporate Governance Principles are available on the Company s website at http://www.lindsay.com and are available in print to any stockholder who submits a request in writing to the Secretary of the Company.

The Board of Directors conducts its business through meetings and actions taken by written consent in lieu of meetings. During the fiscal year ended August 31, 2011, the Board of Directors held six meetings. Each director attended at least 75% of the meetings of the Board of Directors and of the committees of the Board of Directors on which he served during fiscal 2011.

The Company s independent directors normally meet in executive session at each regularly scheduled Board meeting. The Chairman of the Board, currently Mr. Christodolou, an independent director, serves as the presiding director at each executive session of the independent directors.

Board Leadership Structure

The Company s Corporate Governance Principles provide that the position of Chairman of the Board of Directors be held by an independent director and, accordingly, the same individual cannot serve as both the Chairman of the Board and as the Company s Chief Executive Officer. This policy is designed to facilitate the ability of the Board of Directors to perform the important functions of providing independent oversight of management and to address risks faced by the Company. This policy also allows the Chairman to convene executive sessions with independent directors without the need for a separate director to discharge the role of a presiding director.

Board s Role in Risk Oversight

Management has the primary responsibility for identifying and managing the risks to which the Company is subject, under the oversight of the Board of Directors. Among other things, the Board of Directors considers risks presented by business strategy, competition, regulation, global economic conditions, general industry trends including the disruptive impact of technological change, capital structure and allocation, and mergers and acquisitions. The Board of Directors as a whole has the primary responsibility for performing this oversight function. The Company s three standing committees are also responsible for the assessment of risks associated with the general subject matters for which those standing committees have responsibility. The Board s risk oversight process includes close interaction with the Company s internal auditor and is facilitated by an annual risk assessment prepared by management. The Company has engaged the accounting firm of Ernst & Young to perform the Company s internal audit function, supplemented by the Company s internal auditor. Ernst & Young reports to the Audit Committee for this purpose. The goal of the Board s risk evaluation process is to identify any activities that create risks that may not be appropriate for the Company, quantify the magnitude of these risks and work with management to develop a plan to mitigate these risks.

Committees of the Board of Directors

The Board of Directors has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

Audit Committee. The primary purpose of the Audit Committee is to assist the Board of Directors in the oversight of (i) the integrity of the Company s financial statements, (ii) the Company s compliance with legal and regulatory requirements, (iii) the independent auditor s qualifications and independence, and (iv) the performance of the Company s internal audit function. The Audit Committee is responsible for selecting, compensating and evaluating the Company s independent auditor. Specific functions performed by the Audit Committee include reviewing periodically with the independent auditor the performance of the services for which they are engaged, reviewing the scope of the annual audit and its results, reviewing the Company s annual financial statements and quarterly financial statements with management and the independent auditor, reviewing the scope and results of the Company s internal auditing function, and reviewing the adequacy of the Company s internal accounting controls with management and the independent auditor. The Audit Committee operates under a written charter adopted by the Board of Directors which is available on the Company s website at http://www.lindsay.com and is available in print to any stockholder who submits a request in writing to the Secretary of the Company. The charter meets the requirements of the listing standards adopted by the New York Stock Exchange.

The Audit Committee is comprised of Directors Jagodinski (Chairman), Christodolou, Nahl, Walter and Welsh, each of whom has been determined to be independent by the Board of Directors under the rules of the Securities and Exchange Commission and under the listing standards adopted by the New York Stock Exchange. In addition, the Board of Directors has determined that each of Messrs. Christodolou, Jagodinski, Nahl, Walter and Welsh qualify as an audit committee financial expert under the rules of the Securities and Exchange Commission. The Committee held ten meetings during fiscal 2011.

Compensation Committee. The Compensation Committee reviews and approves the Company s compensation policies, benefit plans, employment agreements, salary levels, bonus payments, and awards pursuant to the Company s management incentive plans for its executive officers and other elected officers. The Compensation Committee approves all individual grants and awards under the Company s long-term equity incentive plans. It also reviews compensation for non-employee directors and recommends changes to the Board. The Compensation Committee is specifically responsible for determining the compensation of the Company s Chief Executive Officer and conducts an annual performance evaluation of the Chief Executive Officer. The Company s Chief Executive Officer makes recommendations to the Compensation Committee regarding the compensation paid to executive officers and other elected officers. However, the final authority for setting executive officer compensation rests with the Compensation Committee. The Compensation Committee has the discretion to delegate specific responsibilities to the Committee Chair, any other Committee member(s) or subcommittees as the Compensation Committee may establish from time to time.

The Compensation Committee has periodically retained external compensation consulting firms to assist and advise it on particular matters. Over the past few years, the Company has received compensation consulting services from both Mercer (US), Inc. (Mercer) and Farient Advisors LLC (Farient). Mercer and Farient were engaged directly by the Compensation Committee, but their fees were paid by the Company. The nature and scope of Mercer s and Farient s engagements with respect to the Compensation Committee s decisions regarding executive and director compensation are described under Compensation Discussion and Analysis found later in this Proxy Statement.

The Compensation Committee operates under a written charter adopted by the Board of Directors which is available on the Company s website at http://www.lindsay.com and is available in print to any stockholder who submits a request in writing to the Secretary of the Company. The charter meets the requirements of the listing standards adopted by the New York Stock Exchange. The Compensation Committee is comprised of Directors Welsh (Chairman), Christodolou, McIntosh and Walter, each of whom has been determined to be independent by the Board of Directors under the listing standards adopted by the New York Stock Exchange. The Committee held eight meetings during fiscal 2011.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for making recommendations to the Board of Directors of persons to serve as directors of the Company and as chairmen and members of committees of the Board of Directors and for reviewing and recommending changes in the general Corporate Governance Principles of the Company. It also oversees the annual evaluation by the Board of Directors to determine whether the Board and its committees are functioning effectively. The Corporate Governance and Nominating Committee operates under a written charter adopted by the Board of Directors which is available on the Company s website at http://www.lindsay.com and is available in print to any stockholder who submits a request in writing to the Secretary of the Company. The charter meets the requirements of the listing standards adopted by the New York Stock Exchange.

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The Corporate Governance and Nominating Committee identifies nominees to serve as a director of the Company primarily through suggestions made by directors. The Corporate Governance and Nominating Committee will consider director nominees for next year s Annual Meeting recommended by stockholders which are submitted in writing, complete with biographical and business experience information regarding the nominee, to the Secretary of the Company by August 31, 2012. Candidates for directors are evaluated based on their independence, character, judgment, diversity of experience, financial or business acumen, ability to represent and act on behalf of all stockholders, and the needs of the Board. The Corporate Governance and Nominating Committee does not have a formal policy on diversity with regard to consideration of director nominees, but the Corporate Governance and Nominating Committee considers diversity in its selection of nominees and seeks to have a Board that reflects a diverse range of views, backgrounds and experience. The Corporate Governance and Nominating Committee uses the same criteria to evaluate its own nominees for director as it does for persons nominated by Company stockholders.

The Corporate Governance and Nominating Committee is comprised of Directors Christodolou (Chairman), Buffett, McIntosh and Welsh, each of whom has been determined to be independent by the Board of Directors under the listing standards adopted by the New York Stock Exchange. The Committee held three meetings during fiscal 2011.

Related Party Transactions.

The Board of Directors has adopted a written policy regarding the review, approval or ratification of related party transactions. Under the policy, all such related party transactions must be pre-approved by the Audit Committee or ratified by the Audit Committee if pre-approval is impracticable. Under the policy, certain transactions are excluded from the definition of related party transaction, including (i) transactions available to all employees generally, (ii) director and officer compensation approved by the Compensation Committee and/or Board of Directors, as applicable, (iii) transactions in the ordinary course of the Company s business that are on substantially the same terms as those prevailing at the time for comparable products and services to unrelated third parties, and (iv) certain transactions with other companies where the related party s only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 5% of that company s shares, if the aggregate amount involved during the fiscal year does not exceed the greater of $1,000,000 or 2% of that company s total annual revenues. In determining whether to approve or ratify a related party transaction, the Audit Committee will consider, among other factors, whether the terms of the transaction are fair to the Company, whether the transaction would present an improper conflict of interest for any director, officer or other related party, or whether the transaction would impair the independence of an outside director. Any Audit Committee member who has an interest in a transaction under discussion must abstain from voting on the proposed transaction.

The Howard G. Buffett Foundation, a private charitable foundation of which Howard Buffett is President, provides funding for the Nature Conservation Trust, a South African charitable organization. Mr. Buffett also serves as one of five trustees of the Nature Conservation Trust. Since the beginning of fiscal 2011, the Nature Conservation Trust and The Howard G. Buffett Foundation have collectively purchased or plan to purchase irrigation equipment from the Company for $291,435. These transactions were at prices in accordance with the Company s pricing policy for qualifying charitable, nonprofit, educational and research organizations.

Compensation Discussion and Analysis

Compensation Philosophy and Overview. The overall goal of the Company s compensation policy is to maximize stockholder value by attracting, retaining and motivating the executive officers that are critical to its long-term success. The Board s Compensation Committee (the Committee) believes that executive compensation should be designed to promote both the short-term and long-term economic goals of the Company. Accordingly, an important component of the Committee s compensation philosophy is to closely align the financial interests of the Company s executive officers with those of the Company s stockholders. The Board of Directors and the Committee take several measures to monitor this degree of alignment, which include conducting a non-binding say on pay vote at each annual meeting of the Company s stockholders. Stockholders approved the non-binding say on pay resolution presented at the Company s 2011 annual meeting by a vote of more than 98% of the votes cast on this proposal. Because the say on pay vote taken at the Company s 2011 annual meeting of stockholders occurred after the Committee had completed the process described in this Compensation Discussion and Analysis with respect to the fiscal 2011 compensation of the Company s executive officers, the Committee did not have this

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information available to it at the time it established the executive compensation plan for fiscal 2011. While the Committee reviewed the 2011 say on pay voting results in establishing fiscal 2012 compensation, no specific actions were deemed necessary as the Committee believed the results of the 2011 say on pay vote were a confirmation that stockholders were in general agreement with the Committee s compensation philosophy. The Committee will continue to consider the say on pay voting results and other feedback provided from the Company s stockholders when making future compensation decisions concerning the Company s executive officers.

In order to implement its compensation philosophy, the Committee has determined that the total compensation program for executive officers should consist of the following components:

- Base salaries to reflect responsibility, experience, tenure and performance of key executives, as well as the scarcity of qualified executives for key positions;
- Annual cash incentive awards to reward performance against short-term corporate, business unit and/or individual objectives;
- Long-term incentive compensation to emphasize longer-term strategic objectives and align the interests of executives with those of stockholders; and
- Other benefits as appropriate to be competitive in the market place.

It has been the intent of the Committee that executive salaries, target annual incentive opportunities and target long-term incentive values be targeted at the median of manufacturing and general industry companies of similar size to the Company (measured by annual revenues) for comparable positions, based on available survey data, with variation due to differences in executive skill levels and experience, the executive s role and internal fairness with other positions and roles within the Company.

In September 2008, the Compensation Committee engaged the external consulting firm of Mercer (US), Inc. (Mercer) to conduct a compensation study (the 2008 Mercer Study) to assist the Committee in establishing executive compensation for fiscal 2009. Among other things, the Mercer study provided the Committee with compensation survey information to aid it in establishing the competitive market for the Company s executive positions. The survey included compensation data from two published survey sources, the 2008 Mercer US Global Premium Executive Suite and the 2007 Watson Wyatt Survey Report on Top Management Compensation, which Mercer considered to be appropriate sources of compensation data for use by the Committee. Where possible, Mercer used survey data targeting companies with revenue of one-half to two times that of the business unit of the Lindsay executive. In total, over 120 companies were included in the compensation survey. The Committee also engaged Mercer in October 2009 to assist with its long-term incentive strategy, including adoption of the Company s 2010 Long-Term Incentive Plan. When developing its compensation program for fiscal 2011, the Committee relied on data from the 2008 Mercer Study and the 2009 Mercer updated information, as well as other publicly-available 2010 salary survey information. Overall, the Committee did not make any significant changes in its compensation program for fiscal 2011.

Keeping with its practice to generally request a total compensation study every three years, the Committee engaged the external consulting firm of Farient Advisors LLC (Farient) in March 2011 in order to assist the Committee with establishing an executive compensation program for fiscal 2012 that is competitive with those provided by similar companies. Mercer and Farient were engaged directly by the Compensation Committee, but their fees were paid by the Company. For fiscal 2011, all compensation consulting services were approved by the Committee and neither Mercer nor Farient provided additional services to the Company or its affiliates.

In addition to reviewing the compensation of executive officers against the competitive market, the Committee also considers recommendations from the Company s President and Chief Executive Officer regarding the total compensation for executive officers. The Committee also considered the historical compensation of each executive officer, from both a total compensation and a component by component basis, in setting the fiscal year 2011 compensation for the executive officers.

The Committee is of the view that awards of annual and long-term incentive compensation awarded to executive officers should be adjusted in the event of restatements of the Company s financial results. Accordingly, the Committee has adopted a policy that allows recoupment or repayment of annual and long-term compensation

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payments made to executive officers during the three years preceding the restatement of Company financial statements to the extent such payments exceeded the amounts that would have been payable based on the restated financial results. Conversely, the policy allows for additional payments to the extent the amounts paid as annual and long-term incentive payments received in the three years preceding a restatement of Company financial statements were less than the amounts that would have been payable based on the restated financial results.

The Committee has assessed the risks that could arise from the Company s compensation program and does not believe that the terms of this program encourage excessive risk-taking that is reasonably likely to have a material adverse effect on the Company. For example, the Company s compensation program: (i) focuses on both short-term and long-term financial goals; (ii) utilizes a mix of financial performance goals so as to avoid over-emphasis on any one metric; (iii) is subject to a clawback policy in the event of restatements of the Company s financial results; (iv) includes long-term incentives with a three-year vesting period; and (v) contains caps on the maximum incentive payouts.

2011 Executive Compensation Program. The Company s fiscal year 2011 compensation program for its executive officers, including the executive officers named in the Summary Compensation Table included in this Proxy Statement, consisted of four basic components, which are (i) base salary, (ii) annual cash incentive awards, (iii) long-term incentive compensation and (iv) other employee benefits. The purposes of each of these components of executive compensation, and the manner in which compensation for fiscal 2011 under these components was determined by the Committee for executive officers are as follows:

Base Salary. Base salaries are designed to provide executive officers with a competitive level of fixed compensation that is commensurate with the executive officer s individual responsibility, experience, tenure and general performance of duties. Base salary levels are also subject to competitive pressures faced by the Company for attracting and retaining qualified executives to fill key positions in the different geographic regions where the Company s executives reside. The Committee considers compensation survey information regarding base salary levels for executive officers with comparable positions and responsibilities in similar companies in order to maintain base salaries at competitive levels. In general, the Committee evaluates each executive officer s base salary on an annual basis to determine if an increase from the prior year s base salary is justified based on these criteria and considerations. In the case of Mr. Parod, base salary was initially established by the terms of his employment agreement and is subject to annual increases as determined by the Committee.

In the first quarter of fiscal 2011, the Committee established the base salaries for each of the Named Executive Officers except for Mr. Raabe whose base salary was established when he joined the Company in June 2011. With respect to the base salaries of Named Executive Officers other than Mr. Parod, the Committee considered Mr. Parod s recommendations for salary adjustments (or the establishment of base salaries for Messrs. Cotariu and Raabe) and data from the 2008 Mercer Study and the 2009 Mercer updated information, as well as other publicly-available 2010 salary survey information. Mr. Parod made his recommendations for salary adjustments primarily based on individual performance and available salary survey data. The Committee also took note that the recommended salaries were consistent with its policy of establishing base salary levels for its executive officers at levels that approximate the median salaries paid to persons holding comparable positions by manufacturing and general industry companies with annual revenues similar to those of the Company. With respect to Mr. Parod, the Committee considered the available salary survey information, the Company s performance and Mr. Parod s personal performance and concluded that an increase in his base salary of 3.0% was appropriate.

Annual Cash Incentive Awards. The Company paid annual cash incentive awards to its executive officers under a Management Incentive Plan for fiscal 2011 (the 2011 MIP) that was adopted by the Committee pursuant to the terms of the Company s 2009 Management Incentive Umbrella Plan which was approved by the stockholders at the Company s annual stockholder meeting in 2009. The Company used annual cash payments under the 2011 MIP primarily to encourage its executive officers to achieve specific short-term financial goals of the Company generally and, in some cases, for achievement of the Company s financial results in certain market segments. In addition, a portion of the annual cash incentives is designated to reward individual performance objectives of each executive officer participating in the 2011 MIP. The Committee adopted the 2011 MIP and established the financial and individual goals for executive officers under the 2011 MIP during the first quarter of fiscal 2011.

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The financial performance component accounted for 80% of each Named Executive Officer s potential annual cash incentive. This component consisted of three subcomponents: revenue, operating margin and average working capital to sales. For each of Messrs. Cotariu, Downing and Ruffalo, the financial performance component was split equally between consolidated Company financial performance and the financial performance (also based on revenue, operating margin and average working capital to sales) of their respective business units. For purposes of the 2011 MIP, (i) revenue was defined as the Company s fiscal 2011 operating revenues, (ii) operating margin was defined as the Company s fiscal 2011 operating income divided by fiscal 2011 operating revenues, and (iii) average working capital to sales was defined to include two key components of working capital: average month end inventories plus average month end accounts receivable divided by fiscal 2011 operating revenues. The average working capital to sales subcomponent, which was designed as a measure of the Company s utilization of its working capital, is calculated using the average of an entire 12 months worth of information in order to reduce any distortion caused by the seasonal nature of the Company s business. Each of the three subcomponents was calculated using the Company s Consolidated Statement of Operations for the year ended August 31, 2011, net of any effect of acquisitions made during fiscal 2011. The Committee chose to use revenue and operating margin as the primary financial performance measures for determining annual cash incentive awards under the 2011 MIP because it believed that the Named Executive Officers had significant influence over these measures, that operating margin and revenue align the interests of officers with the creation of stockholder value and that these measures are well understood by management and stockholders. Accordingly, each of the revenue and operating margin subcomponents was assigned a weighting of 40% by the Committee, while the average working capital to sales subcomponent was assigned a weighting of 20% by the Committee. Considering the manufacturing nature of the Company s business, the Committee felt that weighting 20% of the financial performance component based on average working capital to sales would motivate the Named Executive Officers to properly manage receivables and inventory in relationship to sales.

In general, the Committee seeks to establish target levels for financial performance goals based on the Company s annual budget for the relevant fiscal year as approved by the Board of Directors. The 2011 targets for revenue, operating margin and average working capital to sales were $406.0 million, 10.6% and 27.1%, respectively. Each target corresponds to the Company s operating budget for fiscal 2011. The targets established for specific business units also corresponded to the fiscal 2011 operating budget. As noted above, each target excludes the effect of any acquisitions made during fiscal 2011.

The Committee also approved the use of individual performance objectives to determine 20% of the annual cash incentives under the 2011 MIP for each Named Executive Officer. These individual performance objectives were approved by the Committee, based on recommendations by Mr. Parod, for each Named Executive Officer according to his respective area of responsibility. Unlike the financial performance measures described above, which the Committee viewed as short-term performance measures, the individual performance objectives were designed to focus on goals or initiatives that will create longer-term value for the Company. Depending on the officer, these performance objectives relate to areas such as lean efficiency, market development, market share growth, strategic acquisitions, and product development. Some of these individual performance objectives are objective and depend upon the accomplishment of specific, measurable goals such as cost reduction, increased sales or increased margin. Others are subjective in nature, such as performance objectives tied to process improvements, the strengthening of operational capabilities, customer service improvements or the creation or strengthening of sales and distribution channels.

The 2011 MIP established a target cash incentive amount for each Named Executive Officer (each a Target Cash Incentive Award). Consistent with the prior year, the Target Cash Incentive Award for Mr. Parod was set at 60% of his base salary. The Target Cash Incentive Award for each of Messrs. Raabe, Downing, Ruffalo and Cotariu was set at 45% of his respective base salary, with the award for Mr. Raabe being prorated for the portion of fiscal 2011 for which he was employed by the Company. The Target Cash Incentive Award for Mr. Paymal was set at 35% of his base salary. With the exception of Messrs. Cotariu and Raabe who joined the Company in fiscal 2011, all target awards were consistent with prior year target percentages. In each case, a Target Cash Incentive Award represents the total cash incentive a Named Executive Officer was entitled to receive if he had achieved 100% of the target levels under the financial performance component and individual performance component established for such Named Executive Officer under the 2011 MIP.

Under the 2011 MIP, a Named Executive Officer could earn a portion of his Target Cash Incentive Award if he achieved at least a threshold level of performance for any of the financial or individual performance components. Separate calculations were performed to determine the payout earned under the financial performance component and the individual performance component, and those two components were then added together to determine the final cash incentive awarded to a Named Executive Officer. The financial performance

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subcomponents are calculated according to a scale that provides varying percentage payouts for threshold , intermediate , target and maximum performance levels. If the Company fails to meet the threshold performance level for a specific financial performance subcomponent, then that Named Executive Officer will receive no payout under that specific subcomponent. Percentage payouts between the threshold, intermediate, target and maximum levels are linearly interpolated for each financial performance subcomponent. The following performance levels trigger the following percentage awards (calculated as a percentage of the Target Cash Incentive Award available under the overall Company financial performance component):

	September 30, Revenue (40%)	September 30, Average Operating Margin (40%)	September 30, Percentage of Working Capital to Sales (20%)	September 30, Target Cash Incentive Award Available for Financial Performance Subcomponent
Threshold	$ 203.0 million	5.3%	31.1%	15%
Intermediate	$ 304.5 million	8.0%	29.1%	75%
Target	$ 406.0 million	10.6%	27.1%	100%
Maximum	$ 609.0 million	12.2%	23.1%	200%

Likewise, the cash incentive awarded under the individual performance component is calculated according to a scale providing the following percentage awards (calculated as a percentage of the Target Cash Incentive Award available under the individual performance component):

Performance Level	September 30, Percentage of Target Cash Incentive Award Available for Individual Component
Does not meet objectives	0%
Meets some objectives	50%
Meets most objectives	75%
Meets all objectives	100%
Exceeds objectives	150%
Significantly exceeds objectives	200%

Both the financial and individual performance component calculations offer a range of payouts for performance that exceeds or falls short of the target level. The Committee believes that this not only provides an incentive to executives to achieve performance that exceeds expectations, but it also provides constant motivation during down cycles. By rewarding a range of performance, the Committee hoped to partially counteract the cyclical nature of the Company s business. Likewise, the receipt of an award under one component or subcomponent is not contingent upon meeting a certain performance standard under the other component or subcomponents. For example, an executive who has met all of his individual performance objectives would still receive a payout under the individual component even if the Company failed to meet the threshold financial performance objectives. Similarly, an executive may receive a payout if the threshold level is met for a specific financial performance subcomponent even if the executive failed to meet his or her individual performance objectives and/or the Company failed to meet the threshold levels for the other financial performance subcomponents. If any sort of unplanned event should arise, the 2011 MIP gives the Committee the discretion to reduce (but not increase) the incentive payouts under the plan. The following example demonstrates how a hypothetical executive officer s annual cash incentive payment was calculated under the 2011 MIP:

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An officer receiving a base salary of $300,000 (with a target incentive percentage of 45% of his base salary) would be eligible for a Target Cash Incentive Award of $135,000. $108,000 of that amount would be attributable to the Company s financial performance component (80% of the Target Cash Incentive Award), whereas $27,000 of that amount would be attributable to the officer s individual performance component (20% of the Target Cash Incentive Award). If the Company generated revenues of $406.0 million, operating margin of 12.2%, an average working capital to sales ratio of 29.1%, and the officer met all of his individual performance objectives, he would receive a total cash incentive payout of $172,800, calculated as follows:

Company Financial Performance Component: $43,200[A] + $86,400[B] + $16,200[C] = $145,800

[A] Revenue Subcomponent: $108,000 x 40% x 100% performance multiplier

[B] Operating Margin Subcomponent: $108,000 x 40% x 200% performance multiplier

[C] Average Working Capital to Sales Subcomponent: $108,000 x 20% x 75% performance multiplier

Individual Performance Component: $27,000 x 100% performance multiplier = $27,000

Total Cash Incentive Awarded: $145,800 + $27,000 = $172,800

During fiscal 2011, for purposes of the 2011 MIP, the Company recorded revenue of $477.7 million, operating margin of 11.8% and average working capital to sales of 26.4%. Based on these results, the overall Company Financial Performance Component payout percentage was 149% based on subcomponent payout percentages of 135%, 177% and 118% for each of the revenue (40%), operating margin (40%) and average working capital to sales (20%) subcomponents, respectively. The payout percentage for certain market financial performance components for Named Executive Officers ranged from 68% to 152%. At a meeting in October 2011, the Committee verified the attainment of these measures used for the Financial Performance Component of the 2011 MIP. In addition, after the conclusion of fiscal 2011, Mr. Parod recommended scores to the Committee for each Named Executive Officer under the Individual Performance Component of the 2011 MIP. The Committee then discussed and approved those scores, determining that the Named Executive Officers were entitled to performance multipliers under the Individual Performance Component of the 2011 MIP ranging from 82.5% to 105.0%.

Long-Term Incentive Compensation. The long-term incentive component is designed to reward the achievement of longer-term strategic objectives and align the financial interests of the Company s executive officers with those of the Company s stockholders. For fiscal 2011, the Committee decided to use a combination of Performance Stock Units (PSUs) and Restricted Stock Units (RSUs) awarded in tandem in order to provide the Company s Named Executive Officers with long-term incentive compensation. Consistent with the Company s policy regarding PSU and RSU awards made to new hires, Mr. Raabe was only awarded RSUs upon his start date in June 2011. Mr. Cotariu received an award of RSUs upon his start date in September 2010 and a combination of RSUs and PSUs in October 2010 when the Committee approved long-term incentive compensation for fiscal 2011. Both PSUs and RSUs were granted pursuant to the Company s 2010 Long-Term Incentive Plan which was approved by the stockholders at the Company s annual stockholder meeting in January 2010.

PSUs represent a right to receive a certain target number of shares of the Company s common stock at a specified time in the future if certain performance objectives have been met during the specified performance period leading up to the payout of the PSU. PSUs are, therefore, designed to reward achievement of specific performance objectives over this period. Historically, the Compensation Committee has awarded PSUs with a threshold payout of 50% of the target number and a maximum payout of 200% of the target number. In addition to requiring satisfaction of the applicable threshold performance levels, PSUs are only payable if the recipient remains employed with the Company until payout occurs after the end of the performance period (or under certain circumstances involving a change in control, death or complete disability, as discussed in the Termination Payments section below).

RSUs represent a right to receive a certain number of shares of the Company s common stock at a specified time in the future, but are not conditioned upon achieving any specific performance objectives, and are only payable if the recipient remains employed by the Company at the end of the vesting period leading up to the payout of the RSU (or under certain circumstances involving a change in control, death or complete disability, as discussed in the Termination Payments section below). RSUs are designed primarily to encourage retention of executive officers and key employees.

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Under the terms of the individual award agreements, both the PSUs and RSUs awarded to Named Executive Officers for fiscal 2011 are payable in common stock and provide the Named Executive Officers with special cash dividend equivalents which entitle them to receive any special cash dividend (i.e. other than regular quarterly dividends) paid by the Company while the PSUs and RSUs are outstanding. The Committee has adopted a policy regarding the timing of grants of PSUs and RSUs to employees which generally provides that such grants will be made on an annual basis during the first quarter or at the beginning of the second quarter of the fiscal year and at least two business days after the Company has issued its full-year earnings release for the prior fiscal year.

Each of the PSUs and RSUs has a three-year vesting period. The PSUs awarded during fiscal 2011 will not become realizable until fiscal 2014. At that point, depending upon the Company s performance over the three-year period, the PSUs will either convert into a specified number of shares of the Company common stock or become worthless. The Committee selected a three-year performance period because measuring performance over a long period would be less affected by cyclical variations in the Company s business and one-time events. The Committee felt that a three-year period was commonly used by similar companies for this reason. The RSUs awarded during fiscal 2011 will ratably vest over the same three-year period, with one third of the RSUs converting into Company common stock on November 1 in each fiscal year following the grant date, provided that the Named Executive Officer continues his employment with the Company. The Committee intends that annual grants of long-term incentive awards will create a layering effect that will provide constant motivation and alignment of executive and stockholder interests extending into the future and will support executive retention.

Historically, the Committee has approved a target long-term incentive award amount for each Named Executive Officer and then has awarded 70% of that award amount in the form of PSUs and the other 30% in the form of RSUs. The Committee chose this mix of PSUs and RSUs to promote sustained long-term performance, goal alignment and retention. The Committee chose to make long-term incentive awards in the form of PSUs and RSUs instead of stock options because the Committee previously determined that the expense under generally accepted accounting principles associated with grants of stock options exceeded the perceived value of options to the recipients at that time. Using shares as opposed to options to make long-term incentive awards also reduced the number of shares required to deliver equivalent value to the recipients. During fiscal 2011, the Committee continued its practice of issuing PSUs and RSUs.

Although the Committee uses equity-based compensation in connection with the long-term incentive portion of the Company s executive compensation program, neither the Committee nor the Company have adopted any formal stock ownership guidelines or policies for its Named Executive Officers and, accordingly, the Committee does not consider any specific guidelines in connection with establishing the levels of equity-based compensation awarded to the Company s Named Executive Officers.

The specific terms of the PSU and RSU grants made to the Named Executive Officers for fiscal 2011 are as follows:

PSU Awards. Based on the recommendation of Mercer, the Committee determined that 70% of the long-term incentive award granted to each Named Executive Officer (other than the start date grants of RSUs to Messrs. Cotariu and Raabe) would consist of PSUs. Each PSU awarded in fiscal 2011 has a three-year performance period running through the end of fiscal 2013 (i.e. August 31, 2013) and will vest on November 1, 2013. Consistent with prior years and based primarily on Mercer s recommendation, the Committee chose Revenue Growth and Return on Net Assets (RONA) as the performance measures to be used to determine PSU payouts for the three-year performance period. The Committee previously considered several performance measures, including measures that were tied to the Company s stock price or the accomplishment of specific performance objectives, but decided against using stock price as a performance measure because it felt that such a plan would be susceptible to distortion from the cyclical nature of the Company s business. Likewise, the Committee decided against the use of other performance objectives because of the difficulty in correlating such objectives to stockholder value.

Ultimately, the Committee chose to correlate PSU payouts to Revenue Growth and RONA because it determined that there was a reasonable relationship between these performance measures and stockholder value. Additionally, these performance measures could be easily quantified and calculated for the purposes of determining

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whether the Company had met the necessary performance requirements. The Committee assigned equal weighting to Revenue Growth and RONA for purposes of determining PSU payouts in order to drive profitable growth and focus on appropriate asset management. Additionally, the Committee was concerned that considering RONA alone could create an incentive for Named Executive Officers to unnecessarily dispose of assets in order to manage the denominator and inflate the Company s RONA and thereby increase their PSU payout. To prevent such an occurrence, the Committee decided to use both RONA and Revenue Growth as performance measures and to weight them equally. Although the Committee feels that Revenue Growth and RONA reasonably approximate the connection between executive performance and stockholder value, future developments could possibly prompt the Committee to make subsequent PSU awards according to different performance measures.

Revenue Growth is the average annual percentage increase in the Company s consolidated operating revenues for each year during the applicable performance period. Accordingly, if the Company had year over year growth in its consolidated operating revenues of 20%, 8% and 11% during a three-year performance period, the Revenue Growth for purposes of PSU payouts for that performance period would be the average of the individual year increases or 13%. RONA is calculated in the following manner:

$$\frac{\text{Net Income}}{(\text{Average*Total Assets} \quad \text{Average*Current Liabilities} + \text{Average*Current Portion of Long-Term Debt})}$$

* - These averages will be computed using the beginning and ending amounts of Total Assets, Current Liabilities, and Current Portion of Long-Term Debt for the applicable fiscal year.

For the purposes of calculating Revenue Growth and RONA, any acquisitions made by the Company and revenues, expenses or assets associated with such acquisitions are excluded in the fiscal year of the acquisition, but will be fully included during every year thereafter.

The Committee has established the following three-year average performance measures and conversion percentages for Revenue Growth and RONA for the PSUs awarded in fiscal 2011:

	September 30, Revenue Growth	**September 30, RONA**
Threshold	6%	9%
Target	15%	12%
Maximum	18%	15%

The Committee selected target performance measures that were within the range of the long-term target financial performance goals communicated from Lindsay to the stockholders by Mr. Parod in the 2010 Annual Report. The Committee attempted to establish maximum and threshold performance levels that would appropriately reward the Named Executive Officers for exceptional performance, while also providing them with continued motivation in the event that market factors or down periods make it impossible to meet target performance levels. If the Company fails to meet the threshold performance level for either Revenue Growth or RONA over the three-year performance period, then there will be no PSU payout at the end of the performance period, even if the other factor achieves the threshold or higher level.

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At the threshold level for both performance measures each PSU will convert into one-half share of stock, and this ratio increases to one share of stock if the target level is achieved for both performance measures and two shares of stock if the maximum level is achieved for both performance measures. The Committee determined that the payout ratio of 2 to 1 used at the maximum level for both performance measures was appropriate because it believed the maximum levels were aggressive goals that would be difficult to achieve. Payout factors will be linearly interpolated when actual performance results fall between the threshold, target and maximum levels. As a result, the number of shares each PSU will convert into based on varying achievements of the performance levels for Revenue Growth and RONA are set forth in the following matrix:

	September 30,	September 30, RONA	September 30,
REVENUE GROWTH	**Threshold**	**Target**	**Maximum**
Maximum	1.00	1.4142	2.00
Target	0.7071	1.00	1.4142
Threshold	0.50	0.7071	1.00

The Committee is also entitled to adjust the conversion calculation in order to reduce (but not increase) the amount of stock awarded to take into account any unanticipated events including, but not limited to, extraordinary or nonrecurring items, changes in tax laws, changes in generally accepted accounting principles, impacts of discontinued operations and restatements of prior period financial results.

The following is an example of how the payout of PSUs would be calculated for a hypothetical executive officer who received a total award of 1,000 PSUs in fiscal 2011.

Assume that the Company achieves Revenue Growth of 10% in 2011, 20% in 2012 and 15% in 2013. This results in a 15% average three-year Revenue Growth for the relevant performance period, which meets the target performance level for Revenue Growth. Assume that the Company achieved RONA of 8% in 2011, 8% in 2012 and 11% in 2013. This results in a 9% average three-year RONA for the performance period, which meets the threshold performance level for RONA. Accordingly, the executive s 1,000 PSUs will convert into 707 shares of common stock.

In the event of a change in control of the Company, the PSUs will convert into an amount of Company common stock that is pro-rated to account for the amount of time the Named Executive Officers held the PSUs prior to the change of control transaction and will be paid out based on the probable or expected level of Revenue Growth and RONA at the time of the change in control. If any of the Company s financial statements are restated before the payout of PSUs as the result of errors, omissions or fraud, for any fiscal year during the three-year performance period, such restated results will be used to recalculate any PSU conversions made at the expiration of the performance period.

RSU Awards. The Committee determined that the remaining 30% of each Named Executive Officer s long-term incentive award should consist of RSUs, except that Messrs. Cotariu and Raabe received 100% of their respective start date awards in the form of RSUs. The RSUs awarded in fiscal 2011 (except for the start-date grant of RSUs to Mr. Cotariu) vest according to a three-year schedule, with one-third of the RSUs vesting on November 1 of each fiscal year following the fiscal year of their award contingent upon the Named Executive Officer s continued employment with the Company. Upon vesting, each RSU converts into a share of the Company s common stock. Accordingly, if a Named Executive Officer received 1,200 RSUs for fiscal 2011 and remained employed with the Company, 400 of those RSUs would convert into 400 shares of common stock on November 1, 2011. Another 400 RSUs would convert into 400 shares of common stock on November 1, 2012, and then the final 400 RSUs would convert into 400 shares of common stock on November 1, 2013. The RSUs granted to Mr. Cotariu on his start date in September 2010 vest in three equal installments on November 1, 2010, November 1, 2011 and November 1, 2012. All RSUs granted in fiscal 2011 will fully vest upon a change in control of the Company.

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Award Value. In determining the number of PSUs and RSUs granted to the Named Executive Officers (other than the start date grants of RSUs to Messrs. Cotariu and Raabe) as part of their long term incentive compensation for fiscal 2011, the Committee first established a dollar value of the total PSUs and RSUs to be awarded to each Named Executive Officer assuming they achieved target performance levels for the PSUs. In establishing the initial dollar value for Mr. Parod, the Committee considered the 2008 Mercer Study (which compared the Company s total direct compensation, consisting of base salary, cash bonus and the expected value of long-term incentives, to the median level for individuals holding similar positions with comparable revenue responsibility at other manufacturing companies) and the updated 2009 Mercer information. While the compensation data supported a larger long-term incentive award for Mr. Parod, the dollar value for Mr. Parod was set at $515,000 (or 100% of his base salary for fiscal 2011) which was consistent with the proposal by Mr. Parod in fiscal 2010 to receive a lesser amount than the survey data reflected as the median level in light of the broader economic uncertainty. The dollar values of PSUs and RSUs granted to the Named Executive Officers other than Mr. Parod were based on initial recommendations made to the Committee by Mr. Parod. In making and approving these recommendations, both Mr. Parod and the Compensation Committee considered the 2008 Mercer Study and the updated 2009 Mercer information. In each case, the dollar value was divided by the closing sale price of the Company s common stock on the grant date ($56.46 for the RSUs and PSUs granted as of November 1, 2010) to convert the dollar value into a total number of stock units initially awarded to each Named Executive Officer. Of these total stock units, 70% were designated as PSUs and 30% were designated as RSUs, except for the awards of RSUs to Messrs. Cotariu and Raabe on their respective start dates. While the dollar value of PSUs was based upon a payout ratio of 1 to 1, the actual PSU payout ratio may be as low as 0 to 1 if the Company fails to meet the threshold performance level for either performance measure. Alternatively, the PSU payout ratio may be as high as 2 to 1 if the Company meets or exceeds the maximum performance level for both performance measures.

In addition to the award of RSUs and PSUs to Mr. Cotariu as discussed above, the Committee also granted him an award of RSUs with an initial value of $200,000 on September 7, 2010 which was converted into 5,090 RSUs based on the closing sale price of the Company s common stock on that date. These RSUs vest in three equal installments on November 1, 2010, November 1, 2011 and November 1, 2012. On June 13, 2011, the Committee granted Mr. Raabe an award of RSUs with an initial value of $150,000 which was converted into 2,583 RSUs based on the closing sale price of the Company s common stock on that date. The RSUs awarded to Mr. Raabe will vest in equal installments over a three-year period, according to the same conditions as the RSUs awarded to the other Named Executive Officers. These RSUs granted to Messrs. Cotariu and Raabe were issued as a sign-on inducement and to align their financial interests with those of the Company s stockholders.

Fiscal 2009-2011 Performance. The end of fiscal 2011 marked the end of the three-year performance period for the PSUs awarded in fiscal 2009. For this performance period, the Company achieved three-year average revenue growth of 3.6% and three-year average RONA of 9.4% which equated to a cumulative payout percentage of 0.0% of target. While the RONA factor slightly exceeded the threshold performance level of 9.0%, the three-year average revenue growth was below the threshold performance level of 6.0%, resulting in a 0% payout on the PSUs awarded in fiscal 2009. No payouts have yet been earned with respect to the PSUs awarded in fiscal 2010 and fiscal 2011 which have three-year performance periods ending at the end of fiscal 2012 and fiscal 2013, respectively.

Other Employee Benefits. The Company also provides certain other benefits to its Named Executive Officers in the normal course of business as appropriate to be competitive with market practice. In addition to this standard benefits package, Named Executive Officers are provided supplemental life insurance coverage. Also, during fiscal 2011, Mr. Parod received a taxable car allowance of $2,000 per month according to the terms of his employment agreement. Other benefits provided to the Named Executive Officers are generally those which are available to all employees of the Company, such as participation in Company sponsored health and dental insurance, life insurance and disability benefits. The Company and employee participants share in the cost of these programs. The Company also maintains a qualified 401(k) retirement plan to which the Company makes matching contributions corresponding to employee contributions. The Company s Named Executive Officers are eligible to participate in each of these employee benefit plans.

Termination Payments. The Company is party to arrangements with its Named Executive Officers that provide for termination payments under several possible scenarios, including payments that are triggered by a change in control of the Company. All stock options issued to the Named Executive Officers, as well as to other employees of the Company, are subject to immediate vesting in connection with a change in control transaction. Also, in the event of a change in control of the Company, outstanding PSUs will convert into an amount of Company common stock that is pro-rated to account for the amount of time the Named Executive Officers held the PSUs prior to the change in control transaction and will be paid out based on the probable or expected level of Revenue Growth and RONA at the time of the change in control. Any outstanding RSUs will fully vest upon a change in control.

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The Company has entered into employment agreements with each Named Executive Officer which do provide for certain additional compensation to them if their employment with the Company is terminated without cause. In the case of Mr. Parod, he will be entitled to receive a lump sum payment equal to 3.2 times his annual salary if his employment is terminated without cause prior to a change in control (or a pro-rated target bonus for the portion of the fiscal year in which his termination occurs and a lump sum payment equal to three times his annual salary and target bonus if his employment is terminated without cause or if he terminates his employment for good reason within two years following a change in control). In the case of Messrs. Cotariu, Downing, Paymal, Raabe and Ruffalo, each of them will be entitled to receive a lump sum payment equal to one times (or one-half times with respect to Mr. Paymal) his annual salary if his employment is terminated without cause prior to a change in control or one times (or one-half times with respect to Mr. Paymal) his annual salary plus target bonus if his employment is terminated without cause or if he terminates his employment for good reason within one year following a change in control. The termination provisions contained in Mr. Parod s employment agreement were specifically negotiated between the Company and Mr. Parod at the time he joined the Company and were considered necessary in order to attract and retain him. In fiscal 2010, the Company modified the definition of separation payment under Mr. Parod s employment agreement from two times annual salary and target bonus to 3.2 times annual salary (which is the economic equivalent of the prior arrangement) to avoid potential issues with the deductibility of annual bonus payments under Section 162(m) of the Internal Revenue Code, as amended. All termination provisions are designed to provide these executive officers with cash to provide for their living expenses in situations where their employment was not terminated voluntarily or for cause.

The following tables set forth the estimated amount of the benefits that each of the Named Executive Officers would have received under a variety of hypothetical termination and change in control scenarios. All of the information presented in the following tables is provided for illustrative purposes only.

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TERMINATION SCENARIOS NOT INVOLVING A CHANGE IN CONTROL

	September 30,	September 30,	September 30,	September 30,	September 30,
	Termination of NEO s employment agreement by the Company without Cause occurring on August 31, 2011:		Termination of NEO s employment agreement by reason of the NEO s death or disability occurring on August 31, 2011:		
Name	**Cash Payment ($)[1]**	**Accelerated Equity Awards ($)[2]**	**Cash Payment ($)**	**Death/Disability Benefit ($)[4]**	**Accelerated Equity Awards ($)[5]**
Richard W. Parod	1,648,000		309,000[3]	1,400,000	1,484,382
James C. Raabe	300,000			800,000	160,663
David B. Downing	302,000			802,000	589,635
Barry A. Ruffalo	275,000			775,000	454,350
Steven S. Cotariu	275,000			775,000	307,931
Timothy J. Paymal	92,000			434,000	182,536

(1) These amounts represent the payments that the Named Executive Officers (NEOs) would receive under their employment agreements if the Company should terminate their employment without Cause prior to a Change in Control (each as defined in the applicable employment agreement).

(2) The NEOs RSU and PSU award agreements both require that an NEO must remain employed with the Company on the scheduled RSU and PSU vesting date. In this scenario, if an NEO s employment with the Company were to terminate on August 31, 2011, then that NEO would automatically forfeit the entirety of their previously issued and outstanding RSUs and PSUs.

(3) In the event of Mr. Parod s death or complete disability, his employment agreement entitles his estate or him to a pro-rated target bonus for the portion of the fiscal year which he completed prior to his death or disability. The amount shown represents the amount which Mr. Parod or his estate would be entitled to receive if his employment was terminated as a result of his death or permanent disability on August 31, 2011.

(4) These amounts represent the amount of life insurance benefits that the NEO s designated beneficiaries would receive upon the NEO s death under life insurance coverage provided by the Company. The amounts do not include any additional benefits which might be paid out under supplemental coverage purchased by the NEOs on their own accord through the Company. The Company also provides disability insurance for the NEOs. In the event of a complete disability, the NEOs would first receive six months of short term disability benefits through regular payroll equal to 75% of their base salary. The disabled NEOs would then receive monthly long term payments equal to 66.7% of their monthly base salary capped at $12,500 a month, continuing until they reach age 65.

(5) These amounts represent the value of PSU and RSU awards which would convert into shares of Company common stock following the termination of an NEO s employment as a result of the NEO s death or complete disability. Following a termination as a result of death or complete disability, each RSU automatically converts into one share of Company common stock. After a termination by reason of death or complete disability, outstanding PSUs will convert into an amount of Company common stock that is pro-rated to account for the amount of time the NEOs held the PSUs prior to termination by reason of death or complete disability and will be paid out based on the probable or expected level of Revenue Growth and RONA at the time of termination by reason of death or complete disability. For illustrative purposes, these amounts were calculated assuming that the Company would have achieved a target level performance during the period prior to the termination by death or complete disability and that it would be probable and expected following the termination for the Company to continue that target performance for the remainder of the PSUs award period. These amounts were calculated using the $62.20 closing price of the Company s common stock on the assumed date of termination by reason of death or complete disability of August 31, 2011.

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CHANGE IN CONTROL SCENARIOS

	September 30, Scenario 1 The Company undergoes a Change in Control on August 31, 2011, where the Company does not terminate the NEO s employment without Cause and the NEO does not terminate his employment with Good Reason.	September 30,	September 30, Scenario 2 The Company undergoes a Change in Control on August 31, 2011 and on that same date the Company either terminates the NEO s employment without Cause or the NEO terminates his employment with Good Reason.	September 30,
Name	**Cash Payment ($)**	**Accelerated Equity Awards ($)(1)**	**Cash Payment ($)(2)**	**Accelerated Equity Awards ($)(1)**
Richard W. Parod		1,484,382	2,781,000	1,484,382
James C. Raabe		160,663	435,000	160,663
David B. Downing		589,635	437,900	589,635
Barry A. Ruffalo		454,350	398,750	454,350
Steven S. Cotariu		307,931	398,750	307,931
Timothy J. Paymal		182,536	124,200	182,536

(1) These amounts represent the value of PSU and RSU awards which would automatically convert into shares of Company common stock upon a Change in Control. Following a Change in Control, each RSU automatically converts into one share of Company common stock. After a Change in Control, outstanding PSUs will convert into an amount of Company common stock that is pro-rated to account for the amount of time the Named Executive Officers held the PSUs prior to the Change in Control transaction and will be paid out based on the probable or expected level of Revenue Growth and RONA at the time of the Change in Control. For illustrative purposes, these amounts were calculated assuming that the Company would have achieved a target level performance during the period prior to the Change in Control and that it would be probable and expected following the Change in Control for the Company to continue that target performance for the remainder of the PSUs award period. These amounts were calculated using the $62.20 closing price of the Company s common stock on the assumed Change in Control date of August 31, 2011.

(2) These amounts represent the payments that the NEOs would receive under their employment agreements if the Company should terminate their employment without Cause or if they should terminate their employment with Good Reason (each as defined in the applicable employment agreement) within one year (or two years with respect to Mr. Parod) following a Change in Control.

Tax Considerations. Section 162(m) of the Internal Revenue Code of 1986 imposes an annual, individual limit of $1 million on the deductibility of the Company s compensation payments to the chief executive officer and to the three most highly compensated executive officers (other than the principal financial officer). Specified compensation is excluded for this purpose, including performance-based compensation, provided that certain conditions are satisfied. The Committee has attempted to preserve, where practicable, the deductibility of all compensation payments to the Company s executive officers. For fiscal 2011, all compensation paid to covered employees is expected to be deductible under Section 162(m).

Report of the Compensation Committee

On Executive Compensation

The Company s Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on the Committee s review of and the discussions with management with respect to the Compensation Discussion and Analysis, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

William F. Welsh II, Chairman

Michael N. Christodolou

J. David McIntosh

Michael D. Walter

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Executive Compensation

The following table sets forth information regarding all forms of compensation earned by the Company s Named Executive Officers during the last three fiscal years. Mr. Cotariu and Mr. Raabe joined the Company in September of 2010 and June of 2011, respectively.

SUMMARY COMPENSATION TABLE

	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($) [3]**	**All other Compensation ($)**	**Total ($)**
Richard W. Parod President and Chief Executive Officer	2011	511,827		505,759[1]		429,139	36,214[4]	1,482,939
	2010	496,885		486,900[1]		423,840	21,210	1,428,835
	2009	474,359		490,765[1]		108,971	14,925	1,089,020
James C. Raabe Vice President and Chief Financial Officer[9]	2011	51,923		147,386[2]		43,578		242,887
David B. Downing								