
Beacon Lighting Group Limited

Option Plan Rules

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Beacon Lighting Group Limited

Option Plan Rules

Recitals

- A The Company has established this Plan to enable Eligible Persons to share in the ownership of the Group in order to:
- (a) promote the long-term success of the Group;
 - (b) provide a strategic, value based reward for Eligible Persons who make a key contribution to that success;
 - (c) align Eligible Person's interests with the interests of the Company's shareholders; and
 - (d) promote the retention of Eligible Persons.
- B Options issues under this Plan are subject to these Rules.

Operative provisions

1. Introduction

Commencement and term of Plan

- 1.1 This Plan commences forthwith and will continue until terminated by the Board.

Advice

- 1.2 There are legal and tax consequences associated with participation in the Plan. Eligible Persons and Participants must ensure that they understand these consequences before submitting an Application.
- 1.3 Each person who completes and returns an Application to the Company acknowledges and agrees that each Group Company and its officers and employees make no representation or warranty concerning the financial consequences or benefits, or taxation consequences, of participating in the Plan.
- 1.4 Participants are advised that any advice given by a Group Company and its officers, employees and representatives is general advice only. Participants should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.

Inconsistency

- 1.5 To the extent of any inconsistency between this Plan, any Participation Letter and any Application:
- (a) a Participation Letter takes priority over this Plan unless a provision of this Plan is expressed to be incapable of modification;

- (b) a Participation Letter takes priority over any Application;
 - (c) this Plan takes priority over any Application; and
 - (d) any modifications to the terms of any Application as issued by the Company are not binding on the Company unless the Company expressly agrees to those modifications in writing.
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2. Definitions and interpretation

Definitions

- 2.1 In these Rules, unless the contrary intention appears, the following terms have the meanings given below:

Accrued Dividends means any notional dividends accrued at Exercise of an Option representing the dividends that the Participant would have received had they held the Shares the subject of the Option during the period from the Option becoming a Vested Option until the Exercise of the Vested Option, less any applicable tax liability and any applicable deduction or withholding under Rule 17.6.

Application means an application for one or more Options which has been completed by an Eligible Person in accordance with Rule 4.1.

ASX means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the case may be.

ASX Listing Rules means the official listing rules of the ASX, as amended or replaced from time to time, as they apply to the Company to the extent any express written waiver by the ASX is applicable.

Bad Leaver means any Relevant Person who ceases to be Engaged and who is not a Good Leaver including a Relevant Person who:

- (a) has engaged in any act or omission constituting serious misconduct;
- (b) has been summarily terminated pursuant to any contract of employment, service contract or terms of office with any Group Company;
- (c) ceases to be Engaged in circumstances which the Company determines that the person ought to be treated as a Bad Leaver for the purposes of this Plan;
- (d) has committed a serious or persistent breach or non-observance of a term or terms of any contract of employment, service contract or terms of office with any Group Company;
- (e) is disqualified by operation of law from carrying on the role for which he or she was Engaged;
- (f) without the prior consent of the Board is, or will be, either directly or indirectly, engaged, concerned, or interested, whether:
 - (i) alone or in association or partnership with; or
 - (ii) as an employee, agent, director, member, shareholder or trustee of; or
 - (iii) as a consultant or adviser to,

any person, firm, company, trust, organisation or other entity, which competes with the business of the Group, or conducts in Australia a business which is the same as, or substantially similar as, the business of the Group;

- (g) is convicted of a criminal offence or engages in any other behaviour which in the opinion of the Board affects or might affect the reputation or the business of any Group Company or the Group; or
- (h) has provided any Group Company (or procured a third party to provide any Group Company) with information about the Participant's qualifications, experience, character or reputation which is misleading or was intended to be false or misleading.

Board means all or some of the directors of the Company acting as a board, a duly constituted committee of the Board or a delegate of the Board.

Business Day means a day that is not a Saturday, Sunday, a public holiday or bank holiday in either of Melbourne, Australia.

Company means Beacon Lighting Group Limited (ACN 164 122 785).

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

Controller has the meaning given in section 9 of the Corporations Act.

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

A **Change of Control Event** occurs:

- (a) when a Takeover Bid is made for the Shares which results in the bidder acquiring a Relevant Interest (as defined in the Corporations Act) in at least 50% of the Shares; or
- (b) either:
 - (i) pursuant to an application made by the Company to the court under section 411 of the Corporations Act, the court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company and that resolution is passed by the requisite majorities; or
 - (ii) the Company passes a resolution for a selective capital reduction or other transaction is initiated,

which has a similar effect to a Takeover Bid made for the Shares which will result in a person (and its Related Bodies Corporate) being registered as the holder of more than 50% of the Shares.

Deal when used in relation to an item of property or a right or obligation, includes sell, offer for sale, transfer, assign or grant or allow to exist any Encumbrance, trust, option or other right in relation to the whole or any part of the item of property, right or obligation (as applicable), and **Dealt with** and **Dealing** have a corresponding meaning.

Eligible Person means any person who is an employee, officer, consultant or director of any Group Company and who is an eligible participant for the purposes of ASIC Class Order 14/1000, or other person approved by the Board.

Encumbrance means any interest which provides security for, or protects against default by, a person for the payment of money or satisfaction of a debt or liability or the performance of

obligations, including a mortgage, lien, charge, bill of sale, deposit, pledge, hypothecation, trust, power, preferential right, interest or arrangement, restrictive or positive covenant or any agreement or arrangement to create or grant such an interest or right, or to allow any of them to exist.

Engagement means:

- (a) employment by any Group Company; or
- (b) engagement as a director or contractor of any Group Company,

and **Engaged** has a corresponding meaning.

Exercise means the act of exercising the right attached to an Option to require the issue, transfer or allocation of a Share to the holder of the Option pursuant to Rule 8.

Exercise Notice means a notice that an Option is Exercised, completed in accordance with Rule 8.6.

Exercise Price means, in relation to an Option, the amount (if any) payable by the Optionholder on the Exercise of that Option, as determined pursuant to Rules 8.7 and 11.

Expiry means, in relation to an Option, the point in time at which that Option can no longer be Exercised (including if the Exercise Period ends), as determined under Rule 10 and **Expire** has a corresponding meaning.

Expiry Date means, in relation to an Option, the date on which that Option lapses and ceases to be exercisable, being the date specified in the relevant Participation Letter or determined pursuant to these Rules.

Good Leaver means any Relevant Person who ceases Engagement:

- (a) because of retirement or redundancy or whose Engagement terminates due to the expiry of his/her contractual term, or who is terminated at the election of the Company other than by being a Bad Leaver;
- (b) because of death (except for death which arises as a result of the Relevant Person's criminal act or intentional self-harm); or
- (c) because of sickness, disability or incapacity (other than sickness, disability or incapacity which arises as a result of the Relevant Person's criminal act or intentional self-harm) which renders the Relevant Person incapable of continued full time Engagement in his or her current position with any Group Company; or
- (d) because the Group Company by which he or she is Engaged ceases to be a Group Company; or
- (e) because the business or part of any business of any Group Company by which he or she is Engaged is transferred to a person other than any Group Company and the Relevant Person transfers their Engagement to that other person with the consent of the Company; or
- (f) or otherwise in circumstances where the Company agrees that the Relevant Person is to be treated as a Good Leaver for the purposes of this Plan.

Government Agency means any government, governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or

entity and includes any other person authorised by law to give consents, or impose requirements.

Group means the Company and the Company's Subsidiaries, from time to time.

Group Company means any entity which forms part of the Group.

Insolvency Event means, in respect of the Company:

- (a) except for the purpose of a solvent reconstruction or amalgamation:
 - (i) process is filed in a court seeking an order that it be wound up or that a Controller be appointed to it or any of its assets, unless the application is withdrawn, struck out or dismissed within 14 days of it being filed;
 - (ii) an order is made that it be wound up or that a Controller be appointed to it or any of its assets; or
 - (iii) a resolution that it be wound up is passed;
- (b) a liquidator, provisional liquidator, controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertaking;
- (c) an administrator is appointed to it, a resolution that an administrator be appointed to it is passed or proposed, or any other steps are taken to appoint an administrator to it;
- (d) it is insolvent within the meaning of section 95A of the Corporations Act, as disclosed in its accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law;
- (e) anything having a substantially similar effect to any of the events specified in paragraphs (a) to (d) (each inclusive) happens to it under the law of any jurisdiction.

Issue Price means, in respect of an Option, the price (if any) determined in accordance with Rule 4.4.

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

Listed means admitted to the official list of a Stock Exchange.

Listing Rules means the listing rules of any Stock Exchange on which the Company is Listed, including the ASX Listing Rules.

Option means an option issued pursuant to this Plan.

Optionholder means a person who is registered as the holder of an Option in the register of the Company.

Participant means, subject to Rule 16.7:

- (a) an Eligible Person who has been issued a Participation Letter and has returned a corresponding Application to the Company which has been accepted by the Company pursuant to Rule 4.5; and
- (b) to the extent the content requires, an Optionholder who holds options on behalf of, at the nomination of, or by transfer from, an Eligible Person who has been issued a Participation Letter and has returned a corresponding Application to the Company which has been accepted by the Company pursuant to Rule 4.5.

Participation Letter means an invitation to an Eligible Person to apply for Options pursuant to Rule 3.2 and in relation to an Option, means the Participation Letter pursuant to which the relevant Participant was invited to apply for that Option.

Performance-based Vesting Condition means a Vesting Condition based on the achievement of a Performance Target.

Performance Target means an objective, target or status which must be achieved or maintained in order to satisfy a Performance-based Vesting Condition, as set out in the relevant Participation Letter.

Plan means the Beacon Lighting Group Limited Option Plan, the rules of which are set out in this document.

Related Body Corporate has the meaning given to it in the Corporations Act.

Relevant Person, in respect of an Option and a Participant, means:

- (a) the person specified as the Relevant Person in the relevant Participation Letter; or
- (b) if not person is specified pursuant to paragraph (a), the Eligible Person to whom the Participation Letter in respect of that Option was originally issued.

Rules means these Plan rules as amended from time to time and **Rule** means a numbered paragraph of these Plan rules.

Scheme of Arrangement means a scheme of arrangement constituted under Part 5.1 of the Corporations Act.

Service-based Vesting Condition means a Vesting Condition based on the period of Engagement of the Participant by a Group Company or the continued Engagement of the Participant by a Group Company.

Share means a fully paid ordinary share in the capital of the Company.

Share Price Vesting Condition means a Vesting Condition based on the Share price of the Company.

Share Trading Policy means the share trading policy of the Company (as amended from time to time) which governs the trading in securities in any Group Company (or financial products such as options, warrants, futures or other financial products issued over or in respect of securities in any Group Company) by any Participant or Eligible Person.

Stock Exchange means any stock exchange or securities market on which any part of the share capital of the Company is quoted.

Subsidiary has the same meaning given to it in Division 6 of Part 1.2 of the Corporations Act.

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Taxes means a tax, levy, charge, impost, deduction, withholding or duty of any nature (including stamp and transaction duty) imposed or levied by any Government Agency or required to be remitted to, or collected, withheld or assessed by, any Government Agency, together with any related interest, penalty, fine, expense or other charge on those amounts.

Unvested Option means an Option which is not a Vested Option.

Vested Option means an Option which is a Vested Option pursuant to Rule 7.3.

Vesting Condition means, in relation to an Option, a condition which must be satisfied or waived before that Option becomes a Vested Option, as set out in the relevant Participation Letter.

Interpretation

2.2 In these Rules, unless the context otherwise requires:

- (a) terms defined in the Corporations Act and, while the Company is Listed, the Listing Rules, have the same meaning in these Rules;
- (b) words importing:
 - (i) the singular include the plural and vice versa; and
 - (ii) any gender includes the other genders;
- (c) if a word or phrase is defined, cognate words and phrases have corresponding definitions;
- (d) a reference to:
 - (i) a person includes any, individual, firm, association, body corporate, partnership, joint venture, trust and government or statutory body, agency or authority;
 - (ii) a person includes its legal personal representatives, executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
 - (iii) a law includes any statute, ordinance, code, legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, regulations, by-law or other subordinate legislation or statutory instrument and is a reference to that law as amended, consolidated, supplemented, re-enacted or replaced;
 - (iv) a right includes a benefit, remedy, discretion, authority or power;
 - (v) an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (vi) a Rule or annexure is a reference to a Rule of or annexure to this Plan and a reference to this Plan includes any annexure;
 - (vii) "dollars", "\$" or "A\$" is a reference to the lawful currency of Australia;
 - (viii) time is a reference to time in Melbourne, Australia;
 - (ix) this or any other document includes the document as amended, consolidated, supplemented, novated, varied or replaced, notwithstanding any change in the identity of the parties; and
 - (x) anything (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them;

- (e) the words "**includes**" or "**including**", "**for example**" or "**such as**" when introducing a list of items do not exclude a reference to other items, whether of the same class or genus or not;
 - (f) where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day; and
 - (g) if a period starts from, after or before a day or the day of an act or event, it excludes that day.
- 2.3 Headings are for convenience only and do not affect the interpretation of these Rules.
- 2.4 This Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that act).
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3. Invitation to participate

Introduction

- 3.1 The Company may, from time to time, invite any Eligible Person to participate in the Plan.

Participation Letter

- 3.2 If the Company chooses to invite an Eligible Person to participate in the Plan, the Company must issue the Eligible Person with a Participation Letter.

Contents of Participation Letter

- 3.3 A Participation Letter must:
- (a) be in writing and substantially in the form of **Annexure 1** or **Annexure 2**, with such amendments as the Board determines; and
 - (b) set out the particulars of the Eligible Person's proposed participation in the Plan including, in relation to the Options which would be issued to the Eligible Person in accordance with the Participation Letter:
 - (i) the number of Options;
 - (ii) any Issue Price(s);
 - (iii) the Expiry Date(s);
 - (iv) any Exercise Price(s);
 - (v) any Vesting Conditions;
 - (vi) whether the Board has discretion to, on or prior to the Exercise date, cash settle the Options pursuant to Rule 8.13; and
 - (vii) any entitlements to Accrued Dividends in connection with the Options.
 - (c) set out the time and date by which the Eligible Person must return the Participation Letter as a completed Application.
- 3.4 Inadvertent non-compliance with Rules 3.2 and 3.3 does not invalidate a Participation Letter, or an Eligible Person's participation in the Plan.

Power to revoke Participation Letters

- 3.5 The Company may revoke a Participation Letter it has issued at any time until the Company formally accepts an Application in respect of the Participation Letter under Rule 4.5.
- 3.6 A Participation Letter is not an offer which is capable of acceptance and an Eligible Person is:
- (a) not entitled to be granted any Options until; and
 - (b) only able to participate in the Plan once,
- the requirements of Rules 4.1, 4.2 and 4.5 are satisfied.

Company's discretion

- 3.7 Subject to Rules 3.1, the Company may determine in its discretion:
- (a) whether to invite any person to participate in the Plan;
 - (b) whether to revoke any Participation Letter or invitation made to any person to participate in the Plan;
 - (c) the timing of any Participation Letter; and
 - (d) the terms of any person's proposed participation in the Plan including the number and terms of Options to be granted under the Plan.
- 3.8 Eligible Persons may be invited to participate in the Plan on different terms.
- 3.9 An Eligible Person may be issued with more than one Participation Letter, in which case each Participation Letter may contain different terms.

4. Application and allocation of Options

Application for Options

- 4.1 Once an Eligible Person has received a Participation Letter, the Eligible Person may apply to be issued with the Options detailed in the Participation Letter by:
- (a) validly signing the Application attached to the Participation Letter (in the form set out in **Annexure 1** or **Annexure 2** with such amendments as are agreed to by the Board) and returning it to the Company;
 - (b) paying to the Company the Issue Price (if any) for each Option applied for by the Eligible Person under the relevant Participation Letter; and
 - (c) if required by the Constitution, signing any other documents necessary to enable the issue of the Options to the Eligible Person and delivering them to the Company,
- (together referred to as an **Application**).

Time limit to submit Applications

- 4.2 Subject to Rule 4.3, an Eligible Person must submit an Application pursuant to Rule 4.1 within 14 days of the date of the relevant Participation Letter or the Application will not be valid.

- 4.3 The Company may extend or shorten the time for submission of an Application beyond the period referred to in Rule 4.2 and accept an Application after that period has elapsed.

Issue Price

- 4.4 The Issue Price of an Option is the price determined by the Board from time to time and described in the relevant Participation Letter, and may be nil.

Acceptance of Applications

- 4.5 Once an Eligible Person has complied with Rule 4.1, the Company may accept the Application by issuing, or procuring the transfer of, the Options detailed in the relevant Participation Letter to the Eligible Person.

Lapse of Applications

- 4.6 An Application lapses if it is not accepted in accordance with Rule 4.5 within 28 days of its receipt by the Company, unless the Company determines otherwise.

Allocation of Options and participation in Plan

- 4.7 If the Company accepts an Application in accordance with Rule 4.5:
- (a) the Company must issue to the Eligible Person the Options referred to in the Application by the Eligible Person; and
 - (b) the Eligible Person will be entitled to participate in the Plan as a Participant.

5. Options and Shares

Rights attaching to Options

- 5.1 Subject to Rule 11, each Option entitles the Participant to:
- (a) subscribe for, and be issued with the number of Shares set out in the Participation Letter in respect of that Option;
 - (b) if the Participation Letter provides that the Option may be cash settled, be paid an amount of cash determined under Rule 8.13; and
 - (c) if the Participation Letter provides that a Participant is entitled to receive Accrued Dividends, be paid Accrued Dividends in accordance with Rule 9,
- provided:
- (d) the Option is a Vested Option; and
 - (e) the Participant Exercises the Option prior to the Expiry Date (or such later date determined by the Company), in accordance with these Rules and the relevant Participation Letter.

Rights of Shares

- 5.2 A Share issued on the Exercise of an Option will:
- (a) rank equally, on and from its date of issue, in all respects with any Shares of the same class which are then on issue; and
 - (b) be subject to these Rules, the relevant Participation Letter and the Constitution.

Participation rights

- 5.3 Options confer no right to participate in, and a Participant is not entitled to participate in, any new issue of Shares to existing holders of Shares in the capital of the Company, unless an Option is Exercised and the Participant is registered as a holder of Shares, and then only to the extent that the registered holder of those Shares would otherwise be entitled to participate as a member of the Company.

Participants' obligations

- 5.4 Any holder of Options issued under this Plan are bound by the Constitution, these Rules and the relevant Participation Letter.

Quotation of Options and Shares

- 5.5 Options will not be quoted on the ASX or any other securities exchange unless the Company determines otherwise.

6. Restrictions on hedging and Dealing

Restrictions on hedging

- 6.1 Subject to Rule 6.2, Participants must not enter into any schemes, arrangements or transactions, including hedging arrangements, that hedge or protect the value of Options allocated under the Plan or Shares which will be issued, transferred or allocated on Exercise of Options.
- 6.2 Rule 6.1 does not apply to Vested Options provided that the details of that scheme, arrangement or transaction are fully disclosed to the Company.

Restrictions on Dealing

- 6.3 A Participant must not Deal with any Option or any right or obligation under this Plan (including appointing a nominee to hold the Options) unless the following conditions are satisfied:
- (a) the Dealing has the prior written consent of the Company;
 - (b) the Dealing does not otherwise contravene the Constitution, these Rules and the relevant Participation Letter; and
 - (c) the Dealing complies with the Share Trading Policy.

General requirements for Dealing

- 6.4 Any Dealing with an Option or any right or obligation under this Plan must be undertaken in a form and manner approved by the Company.

Void Dealings

- 6.5 If any Dealing with an Option or any right or obligation under this Plan, or any scheme, arrangement or transaction, breaches this Rule 6:
- (a) unless the Company determines otherwise, it will be treated as void as against the Company, the members of the Company and any Participant; and
 - (b) the Company may cancel, on terms determined by the Company, some or all of the Options of the Participant that has breached this Rule 6, which may include cancelling those Options for nil consideration.

7. Vesting of Options

Vesting Conditions

7.1 An Option may be subject to Vesting Conditions as determined by the Company.

7.2 Vesting Conditions may be:

- (a) a Service-based Vesting Condition;
- (b) a Performance-based Vesting Condition;
- (c) a Share Price Vesting Condition; and/or
- (d) based on any other matter determined by the Company.

Vested Options

7.3 An Option is a Vested Option if:

- (a) it is not subject to any Vesting Conditions; or
- (b) it is no longer subject to any unsatisfied Vesting Conditions; or
- (c) all Vesting Conditions in respect of the Option have been satisfied or waived by the Company pursuant to these Rules.

Vesting Conditions satisfied at the discretion of the Company

7.4 Notwithstanding any other provision of this Plan, the Company may:

- (a) waive any Vesting Condition; and
- (b) determine that any of the following is satisfied notwithstanding that they may not be:
 - (i) a Performance Target;
 - (ii) a Performance-based Vesting Condition;
 - (iii) a Service-based Vesting Condition; and/or
 - (iv) a Share Price Vesting Condition.

7.5 A waiver of a Vesting Condition under Rule 7.4(a) or determination under Rule 7.4(b) may be expressed to be effective from the time the relevant Participant or Relevant Person ceases to be Engaged, notwithstanding that the waiver or determination may not occur until after that time.

Satisfaction of Service-based Vesting Condition

7.6 Unless otherwise specified in the relevant Participation Letter, a Service-based Vesting Condition is satisfied if:

- (a) the Relevant Person is Engaged by a Group Company on a continuous basis until the date specified in the relevant Participation Letter; or
- (b) the Relevant Person completes the number of years continuous Engagement (allowing for any leave to which the Relevant Person is entitled) as specified in the relevant Participation Letter; or

- (c) the Company determines that the Service-based Vesting Condition is to be treated as satisfied notwithstanding that it may not have been.

7.7 For the purpose of Rule 7.6:

- (a) Engagement may be with one or more Group Companies and need not be continuously with any particular Group Company, provided that the Participant is at all relevant times Engaged by at least one Group Company; and
- (b) any approved leave taken by a Participant will be treated as forming part of that Participant's period of Engagement.

Satisfaction of Performance-based Vesting Condition

7.8 A Performance-based Vesting Condition is satisfied if, and only if:

- (a) the relevant Performance Target is achieved, as determined by the Company; or
- (b) the Company determines that the Performance-based Vesting Condition is to be treated as satisfied notwithstanding that it may not have been.

Satisfaction of Share Price Vesting Condition

7.9 A Share Price Vesting Condition is satisfied if, and only if:

- (a) the relevant requirement set out in the Participation Letter is achieved; or
- (b) the Company determines that the Share Price Vesting Condition is to be treated as satisfied notwithstanding that it may not have been.

Vesting of Unvested Options on Change of Control or Good Leaver

7.10 Notwithstanding any Vesting Conditions applicable to an Option, if a Change of Control Event occurs or the Relevant Person is a Good Leaver then unless the Board otherwise determines:

- (a) all Vesting Conditions in respect of the Options will be deemed to be satisfied; and
- (b) all Unvested Options will automatically become Vested Options.

Clawback

7.11 Notwithstanding that:

- (a) a Relevant Person may have been considered to be a Good Leaver at the time the Relevant Person to be Engaged; or
- (b) the Company may have waived any Vesting Condition; or
- (c) the Company may have determined that a Vesting Condition was satisfied,

if it is later discovered that a Relevant Person was, in reality, not a Good Leaver at the time the person ceased to be Engaged then the Board may determine that:

- (d) all or some of the Options held by a Participant Expire and are incapable of being Exercised; and
- (e) the Participant must, or must procure that any relevant third party, immediately on request by the Company:

- (i) transfers any or all Shares issued upon the exercise of an Option, as determined by the Board, on terms, and to a person, determined by the Company (which may include transferring them for nil consideration); and
 - (ii) pays the Company any:
 - (A) proceeds received from the sale of any Shares issued upon the exercise of Options; and
 - (B) any distributions, Accrued Dividends or dividends paid on Shares issued upon the exercise of Options,as a debt due to the Company.
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8. Exercise of the Options

Exercise

- 8.1 Vested Options may be Exercised at any time prior to their Expiry or, at any time the Company determines.
- 8.2 The Exercise of a Vested Option is conditional upon:
- (a) the Optionholder complying with Rules 8.4 and 8.6; and
 - (b) the Optionholder first executing a consent to become a member of the Company in a form acceptable to the Company.

Unvested Options not to be Exercised

- 8.3 Notwithstanding any other provision of this Plan, Unvested Options may not be Exercised under any circumstance.

Exercise subject to Share Trading Policy

- 8.4 A Participant must not Exercise any Option unless the Exercise of that Option complies with the Share Trading Policy.

Expired Options not to be Exercised

- 8.5 Notwithstanding any other provision of this Plan, no Option may be Exercised after it has Expired.

Manner of Exercise

- 8.6 Subject to Rule 8.3 and 8.5 and the relevant Participation Letter, an Optionholder may Exercise any of its Vested Options by:
- (a) delivering to the Company:
 - (i) a written notice substantially in the form of **Annexure 3** (or in such other form approved by the Company) duly completed and executed by the Optionholder;
 - (ii) the certificate(s) for those Options (if any has been issued); and
 - (b) paying the Company the Exercise Price (if any) in respect of the Options as required by Rules 8.7 and 8.8 (unless the Company has elected to cash settle the Options under clause 8.13), each prior to the Expiry of the Option.

Exercise Price

- 8.7 Subject to any adjustment under Rule 11, the Exercise Price of an Option is the price (if any) determined by the Company from time to time and set out in the relevant Participation Letter.

Payment of Exercise Price

- 8.8 The Exercise Price of an Option must be paid to the Company, or to a third party at the direction of the Company, by:
- (a) cheque;
 - (b) electronic funds transfer to a bank account nominated by the Company; or
 - (c) in any other manner approved by the Company.

Issue of Shares on Exercise

- 8.9 If an Option is Exercised in accordance with Rule 8.6, the Company must issue to or transfer to the Optionholder the number of Shares which the Option relates subject to Rule 8.13.

Procedures for issue of Shares

- 8.10 The Company may adopt procedures for the issue or transfer of Shares on the Exercise of an Option which may (amongst other things) specify times, intervals or periods at or during which the Company will issue or transfer Shares on the Exercise of an Option.
- 8.11 Each Participant acknowledges and agrees that:
- (a) there will be some delay between the date that a Participant Exercises any Option and the time that Participant is registered as the holder of Share resulting from the Exercise of that Option; and
 - (b) neither the Company, nor any of its officers, employees, advisers, representatives, nor any other person, will have any liability in connection with any change in value of Shares between the time a Participant Exercises an Option and is registered as the holder of Shares and able to Deal with those Shares.
- 8.12 The Company must ensure that Shares will be transferred or issued and allocated to a Participant within fifteen (15) Business Days after the Participant submits a properly executed Exercise Notice to the Company. Such transfer or allocation may include a transfer or allocation from an employee incentive plan or share trust established by the Company.

Cash Settlement

- 8.13 If the Participation Letter in respect of an Option states that the Option may be cash settled then the Company may elect to cash settle the Option by giving notice to the Participant at any time before Shares are issued upon the Exercise of the Option.
- 8.14 If the Company elects to cash settle an Option, within 21 days of the Exercise of the Option it must pay the Participant a cash amount given by the following formula (subject to Rule 17.6):

$$c = MV - EP$$

Where,

$c =$	The cash amount that must be paid to the Participant.
$MV =$	The closing price of the Shares on the ASX on the date on which the Options are Exercised.
$EP =$	If: (a) the Participant has paid the Exercise Price in respect of the Option, nil; or (b) the Participant has not paid the Exercise Price in respect of the Option, the Exercise Price.

- 8.15 The Company may deduct from any payment under Rule 8.14 any amount it is required to withhold by law or in respect of any Tax.

9. Accrued Dividends

- 9.1 If the Participation Letter provides that a Participant is entitled to receive Accrued Dividends in respect of their Options, each Option entitles the Participant to the receipt of a cash payment representing the Accrued Dividends upon Exercise (**Cash Payment**).
- 9.2 The calculation of the Cash Payment will be based on the dividend income that the Participant would have been entitled to receive assuming the Options were Exercised immediately upon becoming Vested Options, net of any income tax liability and levies payable upon receipt of the dividends having regard to the income tax liability and levies applicable to the share trust established by the Company.
- 9.3 The Cash Payment will be distributed by the share trust established by the Company (**Trust**) out of any dividends the Trust has received on unallocated Shares (net of its income tax liability and levies upon receipt of dividends).
- 9.4 To avoid doubt, a Participant is not entitled to receive any Cash Payment in respect of an Option until the Option has been duly Exercised. If an Option is not Exercised, the Participant is not entitled to any Cash Payment in respect of that Option.

10. Expiry

Expiry

- 10.1 An Option (whether vested or unvested) Expires on the earlier of:
- (a) (**Expiry Date**) 5.00pm (local time in Melbourne, Australia) on the Expiry Date applicable to that Option;
 - (b) (**Bad Leaver - Ceasing to be Engaged**) where the Relevant Person is a Bad Leaver, 5 Business Days after the Relevant Person ceasing to be Engaged;
 - (c) (**Change of Control – all Options**) the earlier of:

- (i) 5 Business Days after the occurrence of a Change of Control Event; and
 - (ii) if the Board determines that it expects a Change of Control Event to occur, the date determined by the Board (in which case the Company must give Participants notice that the Board has determined Options will expire under this rule at least 5 Business Days' prior to the determined date for expiry); and
- (d) **(Insolvency Event)** immediately on the Company suffering an Insolvency Event, unless otherwise determined by the Company.

Effect of Expiry

- 10.2 All rights and obligations attaching to an Option cease to be of any force or effect once the Option Expires.

Leave of absence

- 10.3 Leaves of absence approved by the Company will not be construed as a termination or cessation of Engagement if the underlying relationship of employment or officeholding remains during that absence.

11. Adjustment of Options on capital reorganisation

Reconstructions

- 11.1 ASX Listing Rule 7.22 applies to Options.
- 11.2 The Company may alter the rights of any Optionholder to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation of the share capital of the Company.

Adjustment on pro rata issue or bonus issue

- 11.3 ASX Listing Rules 6.22.3 but not ASX Listing Rule 6.22.2 applies to Options unless the relevant Participation Letter states otherwise.

12. Calculations and fractional entitlements

Application and calculation

- 12.1 The Company may make any decisions on adjustments or rounding of fractional entitlements or Options which it considers necessary or desirable in connection with Rule 11 or another provision of these Rules.

Fractional Shares

- 12.2 Where any provision of these Rules or a Participation Letter would result in the issue, transfer or allocation of a fractional number of Shares that provision is to be construed so that the number is to be rounded down to the nearest whole number, unless expressly stated otherwise or determined by the Company.

Calculations binding

- 12.3 The decisions of the Board or the Company respectively as to all calculations made by them under these Rules are final, conclusive and binding on the Participant and any person with any interest in any Options.

13. Administration of the Plan

Administration by the Company

- 13.1 The Plan will be administered by the Company in accordance with these Rules.
- 13.2 The Company may make further provisions for the operation of the Plan which are consistent with these Rules.

Company and Board powers

- 13.3 Subject to the general purpose, terms and conditions of this Plan, the Company and Board will have full power and authority to implement and carry out this Plan including the power and authority to:
- (a) delegate some or all of the administration of the Plan to any person or persons or committee or sub-committee, for any period and on any terms and conditions it decides, to exercise any of its powers or discretions under the Plan;
 - (b) decide on appropriate procedures for administering the Plan, including the forms and notices to be issued under the Plan;
 - (c) construe, interpret and resolve all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
 - (d) amend (in accordance with Rule 14), add to or waive any provision of the Plan (including this Rule) in relation to any or all Participants;
 - (e) correct any defect, supply any omission or reconcile any inconsistency in this Plan;
 - (f) determine that any decision made, or permission given, under the Plan, is subject to further conditions decided by the Company; and
 - (g) make all other administrative determinations which the Board considers necessary or desirable for the administration of this Plan.

Company and Board's discretion

- 13.4 Subject to the express requirements of these Rules, including Rule 3.1, the Company and the Board each have absolute and unfettered discretion:
- (a) to act or refrain from acting under these Rules or concerning the Plan; and
 - (b) in exercising any power or discretion concerning the Plan or any rights under the Plan.

Limit on powers, discretions and obligations

- 13.5 Any power or discretion which is conferred on the Company or the Board respectively by these Rules must be exercised in the interests, or for the benefit, of the Company. The Company and the Board are not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

Decisions final and conclusive

- 13.6 The decisions of the Company and Board respectively as to the interpretation, effect or application of these Rules and all determinations made by the Company or Board under these Rules are final, conclusive and binding the Participants, Optionholders and any person with any interest in any Options.

Documents

- 13.7 The Company may from time to time require a Participant to complete and return any documents that are required by law to be completed by the Participant and any other documents which the Company considers should, for legal or taxation reasons, be completed by the Participant.

Foreign government requirements and sub-plans

- 13.8 The Company may take any action consistent with the terms of this Plan, either before or after an Option has been granted, which the Company deems necessary or advisable to comply with any laws or regulatory requirements of a foreign country, including but not limited to, modifying or amending the terms and conditions governing any Options, or establishing any local country plans as sub-plans to this Plan. In addition, under all circumstances, the Company may make amendments to this Plan so as to conform with or take advantage of governmental requirements, statutes or regulations.

14. Amendment, suspension and termination

Amendment of the Rules

- 14.1 Subject to Rules 14.2 and 14.5, the Board may, by written instrument amend, vary, add to, delete or modify all or any of the provisions of these Rules, including this Rule 14.

Limitation on amendment

- 14.2 No amendment of the provisions of these Rules may materially reduce the rights or increase the obligations of any Participant in respect of their Options held at the date of the amendment, other than an amendment introduced primarily:
- (a) for the purpose of complying with or conforming to any present or future applicable law (including State, Territory or Commonwealth legal requirements) applicable to this Plan or the Options;
 - (b) to take into consideration possible adverse Tax implications in respect of this Plan arising from, amongst others, adverse Tax rulings, changes to Tax legislation (including an official announcement) and/or changes in the interpretation of Tax law by a court of competent jurisdiction;
 - (c) to correct any manifest error or mistake;
 - (d) to enable contributions or other amounts paid by any Group Company to qualify as income tax deductions for that Group Company or any other Group Company; or
 - (e) to enable any Group Company to comply with the Corporations Act, the Listing Rules and the constituent document of a Group Company.
- 14.3 Subject to Rule 15.2, in respect of Options which have already been issued as at the date of any alteration proposed to be made under Rule 14.1, the Company may not make any alteration which would be materially prejudicial to the rights of the Participant without the agreement of the relevant Participant.
- 14.4 As soon as reasonably practicable after making any amendment under this Rule, the Company must give notice in writing of that amendment to any Participant and any Group Company affected by the amendment.

Listing Rules

14.5 If the Company is Listed, no amendment may be made to the Plan except in accordance with, and in the manner (if any) stipulated by, the Listing Rules.

Amendments may be retrospective

14.6 Subject to the provisions of this Rule 14, any amendment made pursuant to Rule 14.1 may be given retrospective effect.

Suspension and termination

14.7 Subject to Rule 14.8, the Company may suspend the operation of the Plan or terminate the Plan.

14.8 The suspension or termination of the Plan must not prejudice the existing rights of Participants except as permitted pursuant to Rule 14.2.

15. Compliance with law, Corporations Act and Listing Rules

Compliance with law, Corporations Act and Listing Rules

15.1 Notwithstanding any other provision of these Rules or any term or condition of the participation of any Participant in the Plan, the Company must not issue an Option under the Plan, and no Option may be transferred or otherwise Dealt with unless:

- (a) all necessary approvals from any Government Agency in respect of the issue, transfer or Dealing have been obtained; and
- (b) the issue, transfer or Dealing complies with the Constitution, all applicable laws, regulations and rules that may govern the Company including the Corporations Act and, while the Company is Listed, the Listing Rules.

Listing Rules to take precedence

15.2 While the Company is Listed, the following applies:

- (a) notwithstanding anything contained in this Plan, if the Listing Rules prohibit an act being done, the act must not be done;
- (b) nothing contained in this Plan prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this Plan to contain a provision and it does not contain such a provision, this Plan is deemed to contain that provision;
- (e) if the Listing Rules require this Plan not to contain a provision and it contains such a provision, this Plan is deemed not to contain that provision; and
- (f) if any provision of this Plan is or becomes inconsistent with the Listing Rules, this Plan is deemed not to contain that provision to the extent of the inconsistency.

The Company may amend, vary, add to, delete or modify all or any of the provisions of these Rules in any way it considers necessary to give effect to this Rule 15.2.

Termination Benefits

- 15.3 This Rule 15.3 applies to any benefit which may be required to be provided by any entity within the Group (**Benefit**). This Rule 15.3 applies notwithstanding, and overrides, any other provision of this Plan and any agreement, understanding, policy, plan, scheme or arrangement (**Arrangement**). Notwithstanding any Arrangement, no person will be entitled to any Benefit in connection with any person's cessation of Engagement, if the giving of the Benefit would give rise to a breach of Part 2D.2 of the Corporations Act, any other provision of the Corporations Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such Benefits (**Limiting Legislation**). If any Limiting Legislation limits the amount of the Benefit, or the amount of the Benefit that may be given without obtaining shareholder approval, the Benefit is capped at that amount and no further Benefit is required to be provided to the relevant person. The Group may reduce any Benefit in such manner as it determines appropriate to ensure compliance with Limiting Legislation and so that shareholder approval does not need to be obtained. No entity in the Group is required to seek or obtain the approval of its shareholders for the purpose of overcoming any limitation or restriction imposed by any Limiting Legislation.

16. General rights and obligations under the Plan

Participants' rights

- 16.1 Except as expressly provided in these Rules, nothing in these Rules:
- (a) confers on any person any expectation to become a Participant;
 - (b) confers on any person the right to be invited to apply for, to be offered, or to receive, any Options;
 - (c) confers on any Participant the right to continue as an employee, officer or contractor of any Group Company (as the case may be);
 - (d) affects an Eligible Person's terms of Engagement with any Group Company;
 - (e) affects any rights which any Group Company may have to terminate the Engagement of any Participant;
 - (f) may be used to increase damages in any action brought against any Group Company in respect of any termination of Engagement;
 - (g) confers on an Eligible Person or a Participant person any rights to compensation or damages in consequence of the termination of their Engagement with a Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
 - (h) confers on any Participant the right to assign his or her actual or prospective rights under the Plan, or any Options, to any person without the consent of the Company.

Relevant Persons' and Participants' acknowledgments

- 16.2 By accepting an invitation to participate in the Plan and submitting an Application to the Company, the Participant acknowledges that:
- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan;
 - (b) participation in the Plan is voluntary and occasional and does not create any contractual or other right to future participation in the Plan, or benefits in lieu of

participation in the Plan, even if participation is offered repeatedly;

- (c) all decisions with respect to future participation in the Plan, if any, will be at the sole discretion of the Company;
- (d) the Participant's participation in the Plan will not create a right to further employment with his or her employer;
- (e) Options and Shares acquired pursuant to the Plan are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to any Group Company or the Participant's employer, and which are outside the scope of the Participant's employment contract, if any;
- (f) the future value of the underlying Shares is unknown and cannot be predicted with certainty and the Shares may increase or decrease in value, even below the Exercise Price; and
- (g) the Participant will have no entitlement to compensation or damages as a result of any loss or diminution in value of Shares or any other rights acquired pursuant to the Plan, including, without limitation, as a result of the termination of the Participant's employment by any Group Company or other affiliate for any reason whatsoever and whether or not in breach of contract, and, upon commencing participation in the Plan, the Participant will be deemed irrevocably to have waived any such entitlement as might arise.

Rights on cessation of Engagement

- 16.3 No person, whether a Participant or otherwise, has any claim, right or interest in respect of this Plan or other property, whether against any Group Company or any other person, as a consequence of cessation of that person's Engagement or otherwise, except in accordance with these Rules.
- 16.4 Without limiting Rules 16.1 to 16.3, participation in the Plan does not form part of the Participant's remuneration for the purposes of determining payments in lieu of a notice of termination of Engagement, severance payments, leave entitlements, or any other compensation payable to a Participant upon the cessation of Engagement.

Other benefits scheme calculations

- 16.5 No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit-sharing, group insurance, welfare or benefit plan of any Group Company.

Participation in other schemes

- 16.6 Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme of a Group Company unless the terms of that incentive or scheme provide otherwise.

Cessation of membership

- 16.7 A person ceases to be a Participant when all rights and obligations which the Participant is entitled to, or subject to, under the Plan have been satisfied or discharged in accordance with these Rules.

17. General provisions

Power of attorney

- 17.1 In consideration of the issue of the Options, each Participant irrevocably appoints each current director and current secretary, from time to time, of the Company as his or her attorney, to do all acts and things and to complete and execute any documents, including Share and Option transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules and any relevant Participation Letter.
- 17.2 A Participant (or after his or her death, his or her legal personal representative) will be deemed to ratify and confirm any act or thing done under Rule 17.1 and to indemnify the attorney in respect of doing so.

Notices

- 17.3 The address for the delivery, transmission and postage of notices to a Participant is the address of the Participant indicated on the Participation Letter or such other address as the Participant may notify to the Company in writing from time to time.

Expenses

- 17.4 Except as provided in these Rules, the Company will meet the ongoing administration expenses of the Plan.

Taxes

- 17.5 The Company is not responsible for any Taxes which may become payable by a Participant in connection with the issue or transfer of Options, the issue, transfer or allocation of Shares, or any other Dealing by a Participant with such Options or Shares including the payment of any cash amount. Relevant Persons and Participants are solely responsible for all such amounts.
- 17.6 Notwithstanding any other Rule, if the Company is required to make or deemed to make a payment to a Participant under these Rules, the Company may deduct or withhold any amount in respect of Taxes payable as a result of the payment (including by withholding Options or Shares and selling them to raise the necessary funds at any price reasonably obtainable by the Company).

Severability

- 17.7 If the whole or any part of a provision of this Plan, any Participation Letter, any Application or the terms of any Option is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remaining provisions have full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This Rule has no effect if the severance alters the basic nature of this Plan, any Participation Letter, any Application or any Option, or is contrary to public policy.

Entire agreement

- 17.8 This Plan any Participation Letter and any Application constitute the entire agreement between the Company and the relevant Participant about their subject matter.

Discretion in exercising rights

- 17.9 The Company and Board may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this Plan expressly states otherwise.

Partial exercise of rights

17.10 If the Company does not exercise a right or remedy fully or at a given time, the Company may still exercise it later.

No liability for loss

17.11 The Company is not liable for costs or loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this Plan.

Variation and waiver

17.12 A provision of this Plan, any Participation Letter or any Application, or a right created under any of them, may not be waived or varied except in writing, signed by the party or parties to be bound.

Construction

17.13 No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Plan any Participation Letter any Application or any part of it.

Governing law

17.14 These Rules are governed by and are to be construed in accordance with the laws of the State of Victoria, Australia. Each of the Company, each Participant, each Relevant Person and each Optionholder submits to the non-exclusive jurisdiction of the courts of the State of Victoria, Australia.

Annexure 1

Participation Letter (No cash settlement)

The following is an example of the form of Participation Letter. It needs to be customised as appropriate to cover the relevant circumstances.

<<insert date>>

<<insert name of Participant>>

<<insert address of

Participant>>

Important Notice

*Any advice given by or on behalf of Beacon Lighting Group Limited (ACN 164 122 785) (the **Company**) or any member of its corporate group, in relation to financial products offered under the Option Plan (**Plan**) does not take into account your objectives, financial situation and needs. You should consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice.*

Dear <<insert name>>

Beacon Lighting Group Limited – Invitation to Participate in its Option Plan

The Board of Beacon Lighting Group Limited (the **Company**) is pleased to formally invite you to participate in the Plan.

The Company has established the Plan to allow people such as you to participate in the long-term success of the Company's business. This Plan offers select, high-achieving and loyal staff a generous opportunity to share in the Company's growth and profits alongside the Company's shareholders.

Key Features of the Plan

The Plan offers Eligible Persons (**Participants**) ownership of Options that may be converted into Shares and/or a cash payment. These Options are Exercisable in the future upon the satisfaction of certain Vesting Conditions (listed below), in accordance with the Plan Rules (**Rules**).

Capitalised terms used in this letter have the meaning given in the Rules unless the contrary intention appears.

On vesting, the Company plans to procure that Beacon Lighting Group Incentive Plan Pty Ltd as Trustee of the Beacon Lighting Group Incentive Plan Trust subscribes for shares on vesting and holds such shares on your behalf until exercise, as is permitted under the tax legislation.

The Company has established the Trust to assist in the management and administration of the Company's incentive plans. A copy of the Trust Deed is available if you would like a copy.

Particulars of the Invitation

The particulars of this invitation to you are set out below:

Feature	Particulars
Relevant Person for the Purposes of the Plan	You.
Number of Options Offered to You (Rule 3.3)	<<insert>> Options
Issue Price per Option (Rule 4.4)	Nil payable by you
Proposed Grant Date	<<insert>>
Exercise Price per Option (Rules 8.7 and 11)	Nil payable by you
Cash Settlement	The Options may not be cash settled by the Company under Rules 8.13 to 8.15.
<p>Vesting Conditions:</p> <ul style="list-style-type: none"> • Service-based Vesting Conditions (Rule 7.6) • Performance-based Vesting Conditions (Rule 7.8) • Share Price Vesting Condition (Rule 7.9) 	<p>You need to be " Engaged" at the time of potential vesting as follows:</p> <p>a)<<insert quantities of Options and potential vesting dates>></p> <p>b)<<insert quantities of Options and potential vesting dates>></p>
<ul style="list-style-type: none"> • Other Vesting Conditions 	<<Nil or insert>>
<ul style="list-style-type: none"> • Other Vesting Conditions 	<<Nil or insert>>
Expiry Date (Rule 10.1(a))	<<insert>> Options may Expire earlier than this in certain situations, such as where the Relevant Person ceases to be Engaged by the Company (see Rule 10.1).

Restrictions on Dealing and Hedging	Options cannot be Dealt with and are not transferrable otherwise than in accordance with Rule 6.
Other Amendments to Rules	<<insert, or say nil >>

General Risks

The following general risks should be considered and customized for each offer

There are risks associated with acquiring and holding Options or Shares.

Before participating in the Plan and accepting any Options pursuant to this invitation, you should consider these risks:

- (a) the Vesting Conditions for your Options may not be satisfied (including for reasons beyond your control) in which case your Options will generally Expire and have no value;
- (b) your Options are subject to the disposal restrictions set out in the Rules; and
- (c) if you receive Shares as a result of the vesting and exercise of your Options:
 - (A) the value of those Shares may rise and fall according to investor sentiment, general economic conditions and outlook, employment, inflation, interest rates, government policy, taxation and regulation; and
 - (B) there is no guarantee that an active market for the Shares will exist or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares at any time and this may increase the volatility of the price or value of the Shares. It may also affect the market price or value at which you are able to sell your Shares.

Rules and Trust Deed

A copy of the current Rules is enclosed.

A summary of the Trust Deed is as follows:

- (a) The Company has entered into a Trust Deed with Beacon Lighting Group Incentive Plan Pty Ltd (Trustee) to enable the Trust to acquire, hold and deliver rights including Options for the purposes of the equity incentive plans of the Company including the Plan.
- (b) The Trustee may hold Options on trust for you under the Plan for this purpose. Where this occurs, the Trustee is the legal title holder of the Options and you are the beneficial holder of the Options.
- (c) The Trust Deed contains a variety of provisions typical for a document of this nature which govern its operation.

You should refer to them as they contain important information concerning the Plan.

Further Advice

You are advised that any advice given by the Company, its Related Bodies Corporate and their

respective officers, employees and representatives is general advice only and does not take account of your particular objectives, financial situation and needs. You should consider obtaining your own financial product advice from a person who is licensed by the Australian Securities and Investments Commission to give such advice. There are risks of acquiring and holding Options and Shares.

You can from time to time ascertain the market price of Shares by checking it on ASX at <https://www.asx.com.au/asx/share-price-research/company/BLX> or by visiting the Company's investor website at <http://www.beaconlightinggroup.com.au>.

The taxation consequences of participation in the Plan may differ among different persons. The Company, its Related Bodies Corporate, and their respective officers, employees and representatives make no representation concerning the financial benefit or taxation consequences of participating in the Plan.

Application for Options

If you would like to participate in this Plan you must sign the enclosed Application where indicated and return it to <<insert>> by <<insert date>> (**Acceptance Period**).

Obtaining further Information

If you have any questions concerning this letter or the Plan you should contact <<insert appropriate contact>>.

We hope you will join us in this opportunity.

Yours sincerely,

<<insert details of signatory>>
Beacon Lighting Group Limited

**APPLICATION FOR PARTICIPATION IN THE BEACON LIGHTING GROUP LIMITED
OPTION PLAN**

1. I confirm I have been given a copy of:
 - (a) the accompanying Participation Letter from Beacon Lighting Group Limited (the **Company**) to me;
 - (b) the Company's Option Plan Rules (**Plan**); and
 - (c) the Beacon Lighting Group Incentive Plan Trust Deed (**Trust Deed**).
2. I covenant with the Company, each other Group Company and the parties to the Plan (whether original or by accession) to observe, perform and be bound by all terms of the Plan and the Participation Letter.
3. I agree to:
 - (a) accept the number of Options that are allotted by the Company to me in accordance with the terms of the Plan;
 - (b) be bound by and abide by the terms of the Plan, the Participation Letter, the Trust Deed, the Constitution and any Share Trading Policy of the Company; and
 - (c) have my name and address placed on the register of Option holders of the Company, register of members of the Company and any other applicable statutory register.

.....
Name of Eligible Person

.....
Signature of Eligible Person

.....
Date

Annexure 2

Participation Letter (Potential cash settlement)

The following is an example of the form of Participation Letter. It needs to be customised as appropriate to cover the relevant circumstances.

<<insert date>>

<<insert name of Participant>>

<<insert address of Participant>>

Important Notice

*Any advice given by or on behalf of Beacon Lighting Group Limited (ACN 164 122 785) (the **Company**) or any member of its corporate group, in relation to financial products offered under the Option Plan (**Plan**) does not take into account your objectives, financial situation and needs. You should consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice.*

Dear <<insert name>>

Beacon Lighting Group Limited – Invitation to Participate in its Option Plan

The Board of Beacon Lighting Group Limited (the Company) is pleased to formally invite you to participate in the Plan.

The Company has established the Plan to allow people such as you to participate in the long-term success of the Company's business. This Plan offers select, high-achieving and loyal staff a generous opportunity to share in the Company's growth and profits alongside the Company's shareholders.

Key Features of the Plan

The Plan offers Eligible Persons (Participants) ownership of Options that may be converted into Shares and/or a cash payment. These Options are Exercisable in the future upon the satisfaction of certain Vesting Conditions (listed below), in accordance with the Plan Rules (Rules).

Capitalised terms used in this letter have the meaning given in the Rules unless the contrary intention appears.

Particulars of the Invitation

The particulars of this invitation to you are set out below:

Feature	Particulars
Relevant Person for the Purposes of the Plan	You.
Number of Options Offered to You (Rule <u>3.3</u>)	<<insert>> Options
Issue Price per Option (Rule <u>4.4</u>)	Nil payable by you
Proposed Grant Date	<<insert>>
Exercise Price per Option (Rules <u>8.7</u> and <u>11</u>)	Nil payable by you
Cash Settlement	The Options may be cash settled by the Company under Rules 8.13 to 8.15.
Vesting Conditions:	
<ul style="list-style-type: none"> • Service-based Vesting Conditions (Rule <u>7.6</u>) 	<p>You need to be " Engaged" at the time of potential vesting as follows:</p> <p>a)<<insert quantities of Options and potential vesting dates>></p> <p>b)<<insert quantities of Options and potential vesting dates>></p>
<ul style="list-style-type: none"> • Performance-based Vesting Conditions (Rule <u>7.8</u>) 	<<Nil or insert>>
<ul style="list-style-type: none"> • Share Price Vesting Condition (Rule <u>7.9</u>) 	<<Nil or insert>>
<ul style="list-style-type: none"> • Other Vesting Conditions 	<<Nil or insert>>
Expiry Date (Rule <u>10.1(a)</u>)	<<insert>> Options may Expire earlier than this in certain situations, such as where the Relevant Person ceases to be Engaged by the Company (see Rule <u>10.1</u>).

Restrictions on Dealing and Hedging	Options cannot be Dealt with and are not transferrable otherwise than in accordance with Rule <u>6</u> .
Other Amendments to Rules	<<insert, or say nil >>

General Risks

The following general risks should be considered and customized for each offer

There are risks associated with acquiring and holding Options or Shares.

Before participating in the Plan and accepting any Options pursuant to this invitation, you should consider these risks:

- (a) the Vesting Conditions for your Options may not be satisfied (including for reasons beyond your control) in which case your Options will generally Expire and have no value;
- (b) your Options are subject to the disposal restrictions set out in the Rules; and
- (c) if you receive Shares as a result of the vesting and exercise of your Options:
 - (A) the value of those Shares may rise and fall according to investor sentiment, general economic conditions and outlook, employment, inflation, interest rates, government policy, taxation and regulation; and
 - (B) there is no guarantee that an active market for the Shares will exist or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares at any time and this may increase the volatility of the price or value of the Shares. It may also affect the market price or value at which you are able to sell your Shares.

Rules and Trust Deed

A copy of the current Rules is enclosed.

A summary of the Trust Deed is as follows:

- (a) The Company has entered into a Trust Deed with Beacon Lighting Group Incentive Plan Pty Ltd (Trustee) to enable the Trust to acquire, hold and deliver rights including Options for the purposes of the equity incentive plans of the Company including the Plan.
- (b) The Trustee may hold Options on trust for you under the Plan for this purpose. Where this occurs, the Trustee is the legal title holder of the Options and you are the beneficial holder of the Options.
- (c) The Trust Deed contains a variety of provisions typical for a document of this nature which govern its operation.

You should refer to them as they contain important information concerning the Plan.

You are advised that any advice given by the Company, its Related Bodies Corporate and their respective officers, employees and representatives is general advice only and does not take account of

your particular objectives, financial situation and needs. You should consider obtaining your own financial product advice from a person who is licensed by the Australian Securities and Investments Commission to give such advice. There are risks of acquiring and holding Options and Shares.

You can from time to time ascertain the market price of Shares by checking it on ASX at <https://www.asx.com.au/asx/share-price-research/company/BLX> or by visiting the Company's investor website at <http://www.beaconlightinggroup.com.au>.

The taxation consequences of participation in the Plan may differ among different persons. The Company, its Related Bodies Corporate, and their respective officers, employees and representatives make no representation concerning the financial benefit or taxation consequences of participating in the Plan.

[For guidance on the tax implications associated with this plan, you may wish to refer to the separate Tax Summary. Please note, this summary provides high level tax advice and is not applicable to your personal circumstances. Further tax advice should be sought.]

Application for Options

If you would like to participate in this Plan you must sign the enclosed Application where indicated and return it to <<insert>> by <<insert date>> (**Acceptance Period**).

Obtaining further Information

If you have any questions concerning this letter or the Plan you should contact <<insert appropriate contact>>.

We hope you will join us in this opportunity.

Yours sincerely,

<<insert details of signatory>>
Beacon Lighting Group Limited

**APPLICATION FOR PARTICIPATION IN THE BEACON LIGHTING GROUP LIMITED
OPTION PLAN**

1. I confirm I have been given a copy of:
 - (a) the accompanying Participation Letter from Beacon Lighting Group Limited (the **Company**) to me;
 - (b) the Company's Option Plan Rules (**Plan**); and
 - (c) the Beacon Lighting Group Incentive Plan Trust Deed (**Trust Deed**).
2. I covenant with the Company, each other Group Company and the parties to the Plan (whether original or by accession) to observe, perform and be bound by all terms of the Plan and the Participation Letter.
3. I agree to:
 - (a) accept the number of Options that are allotted by the Company to me in accordance with the terms of the Plan;
 - (b) be bound by and abide by the terms of the Plan, the Participation Letter, the Trust Deed, the Constitution and any Share Trading Policy of the Company; and
 - (c) have my name and address placed on the register of Option holders of the Company, register of members of the Company and any other applicable statutory register.

.....
Name of Eligible Person

.....
Signature of Eligible Person

.....
Date

Annexure 3

Exercise Notice

To: The Company Secretary
Beacon Lighting Group Limited

From: <<specify name of Participant>>

Beacon Lighting Group Limited – Option Plan

I refer to the Beacon Lighting Group Limited Option Plan (**Plan**) and the letter to me inviting me to apply for Options under the Plan (**Participation Letter**).

Terms defined in the Plan and Participation Letter have the same meaning in this Notice.

Pursuant to Rule 8.6 of the Plan and the Participation Letter, I hereby notify the Company that I Exercise <<insert number>> of Options as detailed in the Participation Letter.

I consent to becoming a member of the Company and agree to be bound by the terms of its Constitution.

[Insert the following only if applicable] [I <<enclose a cheque for \$<<insert>>/have deposited \$<<insert>> into the Company's bank account>> by way of payment of the Exercise Price for each of the Options.]

.....
Name of Eligible Person

.....
Signature of Eligible Person

.....
Date