



Beacon Lighting Group Limited

ACN 164 122 785

Remuneration & Nominations Committee Charter

Remuneration and Nominations Committee Charter

1. Introduction

- 1.1 The Board of directors (**Board**) of Beacon Lighting Group Limited (**Company**) has resolved to establish a Remuneration and Nominations Committee (**Committee**).
- 1.2 This charter sets out the scope of the Committee's responsibilities in relation to the Company and its controlled entities (**Group**).

2. Objective

The Committee is a committee of the Board. Its primary objective is to assist the Board in fulfilling their corporate governance responsibilities in relation to the Company's remuneration strategy, policies and actions.

The role of the Committee is to:

- (a) provide guidance in relation to the composition of the Board to ensure it adequately and effectively discharges its responsibilities and duties;
- (b) ensure that the Company has coherent remuneration policies and practices to attract and retain executives, senior managers and directors who will create value for shareholders, and observes those remuneration policies and practices;
- (c) review and make recommendations to the Board in relation to the remuneration of directors; and
- (d) review and make recommendations to the Board in relation to the fair and responsible remuneration and reward of executives having regard to the performance of the Group, the performance of the executives and the general relevant remuneration environment.

3. Composition

- 3.1 The Committee will comprise:
 - (a) a minimum of 4 members, a majority of whom must be independent (including independent Board members and external consultants as necessary); and
 - (b) may include appropriately skilled and experienced persons who are not directors of the Company.
- 3.2 The Board will appoint the chairperson of the Committee (**Chairperson**). The Chairperson must be an independent non-executive director and may be the chairperson of the Board. Should the Chairperson be absent from a meeting, the members of the Committee present at the meeting shall choose one of the other members of the Committee to chair that particular meeting.
- 3.3 While the Company aims to have a Committee of at least the size and composition outlined in paragraphs 3.1 and 3.2, this may not always be practicable from time to time given the size of the Board and circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Committee from time to time, subject to the ASX Listing Rules.

- 3.4 The Board will decide appointments, rotations and resignations within the Committee having regard to the ASX Listing Rules, the *Corporations Act 2001* (Cth) (**Act**) and the Company's constitution.
- 3.5 The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

4. Meetings

- 4.1 The Committee will meet as often as it considers necessary, and at least twice annually.
- 4.2 The Chairperson of the Committee must call a meeting of the Committee if so requested by any Committee member, the Chief Executive Officer or the Company Secretary.
- 4.3 The quorum for a meeting is two members, of whom at least one must be an independent Director.
- 4.4 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- 4.5 The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the Act.
- 4.6 The Committee may invite anyone it considers appropriate to attend Committee meetings provided that no senior executive is present when his or her own salary is discussed at a meeting or his or her performance is being evaluated.
- 4.7 No member of the Committee may participate in any decision with respect to his or her position or remuneration.

5. Secretary

The Group Human Resources Manager will be the secretary of the Committee and is responsible for preparing the agenda and minutes of each meeting.

6. Authority

- 6.1 The Committee is authorised by the Board to investigate any activity within its Charter.
- 6.2 The Committee may seek any information it considers necessary to fulfil its responsibilities.
- 6.3 The Committee shall have direct access to the Company's officers to seek explanations, information and advice.
- 6.4 The Committee may seek whatever independent, professional or other advice it requires from appropriate external advisers, at the Company's cost. The Committee may meet with external advisers without management being present.

7. Reporting

- 7.1 Proceedings of all Committee meetings must be minuted and signed by the Chairperson or the chairperson of the meeting.

- 7.2 Minutes of all Committee meetings must be distributed to the members (following review by the Chairperson) and approved by the Committee at its next meeting.
- 7.3 The Chairperson must report to the Board on the Committee's proceedings after each Committee meeting. A copy of the minutes of each meeting (whether in draft or final form) must be included in the papers for the next Board meeting.
- 7.4 The Committee must approve details to be published in the Company's Annual Report or any other statutory report or document with respect to the activities and responsibilities of the Committee, and any statement on the Company's remuneration policy and executive compensation disclosures that may be required by law or other regulatory requirements.

8. Responsibilities

8.1 Nomination and appointment of new directors

The Committee's responsibilities in relation to nominations to the Board are:

- (a) identifying and assessing the necessary and desirable competencies and characteristics for Board members and assessing the extent to which those competencies and characteristics are represented on the Board;
- (b) assessing and identifying the skills, experience and knowledge represented on the Board and those desired and establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience, and developing a role description for any vacancies on the Board, including a description of the skills, experience and knowledge desired in a candidate;
- (c) assessing and determining the time commitment needed from each Board member to adequately perform his or her duties;
- (d) ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans;
- (e) identifying nominees for membership of the Board which may include making suitable inquiries of professional search and recruitment consultants and major shareholders for candidates;
- (f) recommending to the Board nominees that have the identified skills, experience, knowledge and capabilities required for the vacancy, including in relation to gender, age and ethnicity, having regard to the existing composition of the Board.; and
- (g) recommending the removal of directors.

8.2 Performance and education of directors

The Committee is responsible for:

- (a) assisting the Chairperson to evaluate the performance of the Board, both collectively and individually against any applicable board skills matrix (however, a member of the Committee must not participate in any review or assessment of their own performance);
- (b) regularly reviewing the time required from non-executive directors to perform their functions and assessing whether they are satisfying time requirements;
- (c) establishing induction programmes for new directors; and

- (d) supporting continuing education programmes for directors.

8.3 Remuneration policies and practices

The Committee is responsible for reviewing, approving and recommending to the Board for adoption executive remuneration and incentive policies and practices. In doing so, it will ensure that executive remuneration and incentive policies and practices are:

- (a) designed to motivate the executives to pursue the Group's long term growth and success; and
- (b) demonstrate a clear relationship between the Group's vision, values and overall performance, and the performance of the executives.

8.4 Remuneration

In performing its responsibilities in relation to remuneration, the Committee must give appropriate consideration to the Company's performance and objectives, employment conditions and external remuneration relativities.

8.4.1 Executive directors and senior management

The Committee is responsible for:

- (a) annually enquiring of the executive chairman and the chief executive officer as to the activities undertaken in relation to the development and performance of their direct reports;
- (b) annually considering and recommending to the Board each executive director's total remuneration (including base pay, incentive awards, equity awards, retirement rights, termination payments and terms of engagement) having regard to executive remuneration and incentive policies;
- (c) determining if shareholder approval is needed for any change to remuneration of executive directors or executives;
- (d) reviewing and approving, on the recommendation of the Executive Directors:
 - (i) the total remuneration (including incentive awards, equity awards and retirement and termination payments);
 - (ii) the terms of engagement; and
 - (iii) any changes to the total remuneration and terms of employment, of direct reports of the Executive Directors and other senior executives;
- (e) recommending to the Board for approval changes to the remuneration or terms of engagement of Executive Directors before implementation; and
- (f) preparing for approval by the Board any report on executive remuneration that may be:
 - (i) required by the ASX Listing Rules or the Act; or
 - (ii) proposed for inclusion in the annual report, and reporting regularly to the Board on those matters.

8.4.2 Executive incentive plans

The Committee is responsible for:

- (a) reviewing and recommending to the Board for adoption and design of any executive incentive plan;
- (b) reviewing and recommending to the Board for adoption the total proposed payments which form the basis of any executive incentive plan;
- (c) reviewing and recommending to the Board for adoption the design of any equity based plan;
- (d) reviewing any plan for legislative, regulatory and market developments;
- (e) reviewing and recommending to the Board for approval the total proposed awards under any equity based plan;
- (f) reviewing and recommending to the Board for approval the proposed award to each executive under the rules of any plan; and
- (g) reviewing and recommending to the Board for adoption and keeping under review the performance hurdles for any equity based plan to ensure they are aligned to the Company's short, medium and longer term performance objectives.

8.4.3 Non-executive directors

The Committee is responsible for:

- (a) assessing the adequacy of the non-executive director fee pool and recommending fee pool increases;
- (b) reviewing the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total); and
- (c) recommending to the Board the remuneration for non-executive directors having regard to market trends and shareholder interests.

8.4.3 Recruitment and Termination

The Committee is responsible for:

- a) reviewing and recommending to the Board for adoption recruitment, retention and termination policies and practices;
- b) reviewing and recommending to the Board for approval termination payments to executive directors before they are implemented; and
- c) considering and, if appropriate, ratifying termination payments to direct reports of the Executive Directors and other senior executives and members of the senior management team.

8.4.5 Other responsibilities

The Committee is also responsible for:

- a) reviewing and making recommendations to the Board on remuneration by gender and any identified strategies or changes to address remuneration disparity;
- b) reviewing superannuation arrangements;

- c) reviewing and monitoring the reimbursement of any expenses incurred by directors and senior executives;
- d) reviewing any insurance premiums or indemnities for the benefit of directors and officers;
- e) reviewing and providing recommendations on the remuneration practices which impact on Associates throughout the Company, ensuring that they meet the needs of the company and enhance corporate and individual performance;
- f) reviewing the overall value of wage and salary increases recommended by management during the various divisional salary review processes throughout the year;
- g) making recommendations to the Board with respect to the implementation and operation of employee benefit programs, including equity based schemes; and
- h) doing anything the Board considers appropriate in the context of this charter.

9. Review of charter

- 9.1 The Committee will review this charter annually or as often as it considers necessary and recommend any proposed amendments to the Board for its approval.
- 9.2 The Board may amend this charter from time to time by resolution.
- 9.3 The Committee will conduct an annual self-assessment in relation to its performance and the achievement of its objectives.