



BWX LIMITED

ABN 13 163 488 631

**NOTICE OF ANNUAL GENERAL MEETING,
EXPLANATORY NOTES
AND PROXY FORM**

Date of Meeting:
Monday 16 November 2020

Time of Meeting:
12:00pm

Place of Meeting:
Online Meeting at <https://agmlive.link/BWX20>

Notice of Meeting

Notice is given that the Annual General Meeting (**AGM**) of the shareholders of BWX Limited (**BWX** or the **Company**) commencing at 12:00pm (Melbourne time).

Recognising the importance of the health and safety of our shareholders, employees and community and given the current COVID-19 restrictions, the 2020 AGM will be held virtually via an online meeting accessible at <https://agmlive.link/BWX20>. There will be no physical place of meeting available. Attendees may access the meeting by registering their name and contact details when prompted. Shareholders will also need their Shareholder Reference Number (SRN) or Holding Identification Number (HIN) to fully participate in the meeting including lodging votes and asking questions. We also encourage shareholders to submit written questions and vote by direct voting or appointing a proxy prior to the meeting.

Online voting at the meeting will be open as soon as the online platform is open (typically, fifteen minutes prior to the commencement of the meeting at 12:00pm Melbourne time) and the time at which the Chairman announces that voting has closed. We recommend logging in to the online platform at least fifteen minutes prior to the scheduled start time for the meeting. For further information on how to participate virtually, please refer to the information in this Notice and the Online Platform Guide which is available at www.bwxltd.com/investor-centre.

BUSINESS

1. Reports

To consider the financial report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2020.

2. Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution as an ordinary resolution:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report, as contained within the Directors' Report for the year ended 30 June 2020 set out in the Company's 2020 Financial Report, be adopted."

Note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2 – Re-Election of Mr. Ian Campbell

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Ian Campbell, a director who retires in accordance with clause 58.2 of the Company's Constitution, be re-elected as a director."

4. Resolution 3 – Appointment of PricewaterhouseCoopers to Fill a Casual Vacancy

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to the consent of the Australian Securities and Investments Commission to the current auditor of the Company, William Buck, resigning, to appoint PricewaterhouseCoopers, having consented in writing and been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001 (Cth) as Auditor of the Company."

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5. Resolution 4 – Grant of Rights to the Group CEO and Managing Director

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval be given for the grant of 286,103 Rights to the Group CEO and Managing Director, Mr. David Fenlon, in respect of the FY21 LTI component of his annual remuneration package under the BWX Equity Incentive Plan on the terms summarised in the Explanatory Notes.”

6. Other Business

To consider any other business brought forward in accordance with the Company's Constitution or the law.

By order of the Board



ALISTAIR GRANT
Company Secretary
12 October 2020

Notice of Meeting

VOTING AND PROXIES

Voting

1. The Directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of Shares at 7:00pm (Melbourne time) on 14 November 2020.

Voting Exclusions

1. KMP that may have a vested interest in the outcome of a resolution have restrictions on voting on those resolutions. KMP include members of the Board and certain senior executives, as set out in the BWV Annual Report. The Corporations Act restricts KMP and their Closely Related Parties from voting in certain circumstances on such resolutions.
2. Pursuant to the Corporations and ASX Listing Rules, voting exclusions apply to the following Resolutions and further detail is provided in the Explanatory Notes:
 - Resolution 1 - Adoption of the Remuneration Report
 - Resolution 4 - Grant of Rights to the Group CEO and Managing Director

Proxies

1. A Shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder.
2. If a Shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
3. Where a Shareholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.
4. A proxy need not be a Shareholder of BWV.
5. To be effective, BWV must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 12.00pm (Melbourne time) on 13 November 2020.
6. Proxies may be lodged with BWV:
 - (a) by mail, using the enclosed reply envelope to:

BWV Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
 - (b) by facsimile:

+61 2 9287 0309
 - (c) online, at www.linkmarketservices.com.au
 - (d) by hand:

1A Homebush Bay Drive, Rhodes NSW 2138

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7. Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised officer or attorney.
8. A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.
9. The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be in favour of the Chairman of the meeting to which it relates, or to another person as the Board determines.
10. If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

Important note for Resolutions 1 and 4:

Unless the Chairman is appointed by a shareholder as proxy, KMP and their Closely Related Parties will not be able to vote as a proxy on Resolutions 1 and 4, unless the shareholder directs them how to vote on the proxy form. If a shareholder intends to appoint one of these persons as their proxy, the shareholders should ensure that they direct that person how to vote on Resolutions 1 and 4.

If the Chairman is appointed by a shareholder as proxy, or if the Chairman is appointed as proxy by default, the shareholder may:

- direct the Chairman how to vote on Resolutions 1 or 4 by marking either "For", "Against" or "Abstain" on the section of the proxy form corresponding to that Resolutions, in accordance with the directions on that form; or
- not direct the Chairman how to vote on Resolutions 1 or 4, in which case, by submitting the proxy form, the shareholder will be expressly authorising the Chairman to vote the undirected proxy, even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Explanatory Notes

1. Introduction

These Explanatory Notes form part of the Notice of Annual General Meeting of BWX and have been prepared to provide Shareholders with information in connection with the Annual General Meeting of the Company to be held virtually via an online meeting accessible at <https://agmlive.link/BWX20>. Terms defined in the Explanatory Notes have the same meaning where used in this Notice of Annual General Meeting or as otherwise defined in Section 8 - Definitions.

The purpose of these Explanatory Notes is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions. At the Annual General Meeting, Shareholders will be asked to consider resolutions approving:

1. adoption of the Remuneration Report;
2. re-election of Mr. Ian Campbell as a Director;
3. the appointment of PricewaterhouseCoopers as auditors of the Company; and
4. approval of the grant of Rights to the Group CEO and Managing Director.

The resolutions are ordinary resolutions requiring them to be passed by a simple majority of votes cast by Shareholders entitled to vote on the resolutions. Further information regarding the resolutions is set out below.

These Explanatory Notes are important and should be read in their entirety by all Shareholders.

2. Financial Statements and Reports

At the Annual General Meeting, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the financial year ended 30 June 2020. No resolution will be required to be passed on this matter.

Shareholders who have elected not to receive a hard copy of the Company's 2020 Annual Report can view or download a copy from the Company's website at www.bwxltd.com/investor-centre.

3. Resolution 1 – Adoption of the Remuneration Report

Under section 250R(2) of the Corporations Act, a resolution adopting the Remuneration Report contained within the Directors' Report must be put to the vote.

Shareholders are advised that under section 250R(3) of the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

Recommendation

The Board unanimously recommends that shareholders vote in favour of this non-binding resolution.

Voting exclusion statement

A vote must not be cast on Resolution 1 by any KMP, details of whose remuneration are included in the Remuneration Report, or their Closely Related Party (in any capacity), unless the vote is cast as proxy:

- a) for a person who is entitled to vote on Resolution 1 and the vote is cast in accordance with the directions on the proxy form; or

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- b) by the Chairman as proxy for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

4. Resolution 2 – Re-Election of Mr. Ian Campbell as a Director

Resolution 2 seeks approval for the re-election of Mr. Ian Campbell as a Director, who has retired in accordance with clause 58.2 of the Company's Constitution, with effect from the end of the Annual General Meeting.

Biography

Mr. Campbell is a highly experienced company executive whose career started as a computer programmer and quickly moved into middle then senior management in a variety of operational roles in manufacturing and sales and marketing. Mr. Campbell joined Olex Cables as Group General Manager and then as Managing Director of the Pacific Dunlop Cables Group until 1998. In 1998, Mr. Campbell joined ASX-200 listed GUD Holdings Ltd as its Managing Director and CEO until his retirement in mid-2013. He has been a non-executive director of Mirrabooka Investments Ltd since 2007 and was formerly a national councillor and Victorian Vice-President of the Australian Industry Group.

Mr. Campbell joined the BWX Board in 2015 and was appointed Chairman in September 2018. Having been re-elected at the 2017 Annual General Meeting, he now retires in accordance with clause 58.2 of the Company Constitution and now seeks re-election as a Director of the Company.

Recommendation

The Directors (excluding Mr. Ian Campbell) recommend that Shareholders vote in favour of resolution 2.

5. Resolution 3 – Appointment of PricewaterhouseCoopers to Fill a Casual Vacancy

Resolution 3 seeks approval to appoint PricewaterhouseCoopers as the auditors of the Company, subject to the Australian Securities and Investments Commission consenting to the resignation of William Buck, the current auditors of the Company with effect on the date of this AGM. PricewaterhouseCoopers have consented to the appointment and have been nominated by a member of the Company in accordance with sections 328A and 328B of the Corporations Act 2001 and a copy of the member nomination is attached at Annexure A to this Notice of Meeting.

6. Resolution 4 – Grant of Rights to the Group CEO and Managing Director

Resolution 4 seeks approval for the granting of 286,103 Rights to the Group CEO and Managing Director, Mr. David Fenlon, in respect of the FY21 LTI component of his annual remuneration package under the BWX Limited Equity Incentive Plan (**Plan**).

Background

The Company operates the Plan as part of its executive remuneration strategy, and it has incorporated feedback from investors in developing it. The Plan aims to deliver rewards to eligible executives, recognising individual and Company performance, and aligned with the interests of shareholders. Under the Plan, eligible executives are offered Rights, subject to satisfaction of applicable performance-based conditions over the three-year vesting period. Rights have been adopted because they create share price alignment between executives and shareholders but do not provide participants with the full benefits of share ownership (such as dividend and voting rights) until the Rights vest and Shares are acquired. Further details about the Plan can be found in the 2020 Remuneration Report (see pages 56 to 58 and 61 of the 2020 Annual Report).

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During FY20, the Board signed-off on the BWX Three-Year Strategic Roadmap (**Strategic Roadmap**) which maps out the core strengths and opportunities for BWX and its brands in support of its mission to be a leading global natural wellness company. The Strategic Roadmap aims to considerably scale BWX's operations to the end of the FY23 financial year over and above the previous strategy. The implementation period for the Strategic Roadmap aligns with the FY21 LTI Plan's three-year performance period.

To that end, the Board has approved a one-off Transformation Incentive Grant (**TIG**) for the FY21 LTI Plan. The TIG has been designed to incentivise KMPs and senior executives to provide superior financial performance against companies in the S&P ASX Small Ordinaries Index over the performance period from 1 July 2020 until 30 June 2023. A limited stretch opportunity has been set which is linked to the additional outperformance of the achievement of key milestones in the Strategic Roadmap over the performance period.

The Board considers that achievement of the key financial milestones over the performance period would result in significantly enhanced financial outcomes and shareholder value and that this level of achievement warrants the additional limited stretch opportunity. The Board's intention is that the TIG only operates in relation to the FY21 LTI Plan.

Approvals sought

ASX Listing Rule 10.14 requires shareholder approval for a director to be issued equity securities in the Company under an employee incentive scheme.

Accordingly, shareholders are asked to approve the grant of 286,103 Rights to Mr. Fenlon under the Plan for the TIG, on the terms and conditions set out in the Explanatory Notes. Approval of this resolution will also result in the Rights granted to Mr. Fenlon being included as an exception to the approval requirements of ASX Listing Rule 7.1. This means the Rights granted to Mr. Fenlon, and any other Shares issued pursuant to this approval, will not use up part of the 15% limit available under ASX Listing Rule 7.1.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E or an exemption applies. Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes Mr. Fenlon.

Accordingly, Shareholder approval is being sought for the purposes of sections 200B and 200E for any termination benefits that may be provided to Mr. Fenlon in respect of the FY21 grant of Rights for the TIG in connection with his ceasing to hold managerial or executive office.

The Board believes that granting the Rights and ensuring that the limited stretch opportunity is the best way to achieve management and shareholder alignment. However, if Shareholders do not approve this Resolution, the Board will consider whether to proceed with this grant; to make the grant on different terms; or to acquire Shares on-market to satisfy some or all of the original grant of Rights.

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Key terms of the Rights

A brief overview of the key terms of the proposed grant of Rights to Mr. Fenlon are set out below.

Term	Details
Details of the grant	<p>Subject to shareholder approval, Mr. Fenlon will be granted 286,103 Rights under the Plan in respect of the TIG comprising the FY21 LTI component of his annual remuneration package.</p> <p>The number of Rights to be granted has been calculated by dividing Mr. Fenlon's maximum FY21 LTI Opportunity under the TIG (being 150% of his FY21 Base Salary of \$700,000) by the volume weighted average price (VWAP) of a Share for the thirty trading days immediately prior to 1 July 2020, being \$3.67.</p>
Entitlements	<p>Each Right is an entitlement to receive one Share, subject to satisfaction of the applicable performance and / or service-related conditions.</p> <p>Rights do not carry any dividend or voting rights, or in general, a right to participate in other corporate actions such as bonus issues.</p> <p>Rights are not transferable (except in limited circumstances or with the consent of the Board).</p>
Date of grant	<p>If shareholder approval is obtained, the Rights will be granted to Mr. Fenlon as soon as practicable after the AGM, but in any event, within 12 months of the AGM.</p>
Performance / vesting conditions	<p>Vesting of Rights is subject to:</p> <ul style="list-style-type: none"> • Two independently tested performance hurdles (refer below for detail); and • Mr. Fenlon's continued employment with the Company. <p>(1) Relative TSR hurdle (50% of Rights): Vesting of 50% of Rights will be subject to the Company's Relative TSR hurdle.</p> <p>Broadly, TSR calculates the return shareholders would earn if they held a notional number of Shares over a period of time and measures the growth in the Company's Share price together with the value of dividends during the relevant period, assuming that the dividends are re-invested into new Shares.</p> <p>Relative TSR compares the TSR performance of the Shares of the Company against the TSR of the securities of a select group of companies listed on the ASX (Comparator Group) over the performance period, being 1 July 2020 to 30 June 2023 (Performance Period). The Comparator Group which the Board has chosen is the S&P ASX Small Ordinaries Index, being all of the companies from number 101 to 300 by market capitalisation (excluding BWX) on the ASX.</p> <p>The Relative TSR hurdle is tested by measuring the degree to which the Company's TSR performance has outperformed the TSR of the Comparator Group against the pre-determined targets set by the Board over the Performance Period and described below.</p> <p>The percentage of Rights that vest, if any, will be determined with reference to the Company's Relative TSR performance in comparison to that of the Comparator Group over the Performance Period as set out in the table below.</p>

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Term	Details																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">Relative TSR of the Company ranked against the Comparator Group</th> <th style="background-color: #cccccc;">Rights subject to Relative TSR hurdle that vest (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 60th percentile</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td style="text-align: center;">Between 60th percentile and 90th percentile</td> <td style="text-align: center;">Straight line pro-rata vesting between 0% and 150%</td> </tr> <tr> <td style="text-align: center;">At or above 90th percentile</td> <td style="text-align: center;">150%</td> </tr> </tbody> </table> <p>(2) EPS hurdle (50% of Rights): Vesting of 50% of Rights will be subject to the Company's EPS hurdle.</p> <p>The EPS hurdle is tested by measuring the growth in the Company's EPS over the Performance Period against pre-determined targets set by the Board.</p> <p>Broadly, EPS measures the earnings generated by the Company attributable to each Share. EPS will be calculated by dividing NPAT for the Performance Period by the weighted average number of ordinary shares outstanding during the period. NPAT may be adjusted for the after-tax effect of material infrequent items that the Board believes do not reflect ongoing operations of the Group, and amortisation of acquired intangible assets.</p> <p>The percentage of Rights that vest, if any, will be determined with reference to the Company's EPS performance over the Performance Period, as set out in the table below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">Growth in Company's EPS</th> <th style="background-color: #cccccc;">Rights subject to EPS hurdle that vest (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Below 10% EPS growth</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td style="text-align: center;">Between 10% and 75% EPS growth</td> <td style="text-align: center;">Straight line pro-rata vesting between 0% and 100%</td> </tr> <tr> <td style="text-align: center;">Between 75% and 100% EPS growth</td> <td style="text-align: center;">Straight line pro-rata vesting between 100% and 150%</td> </tr> <tr> <td style="text-align: center;">At or above 100% EPS growth</td> <td style="text-align: center;">150%</td> </tr> </tbody> </table> <p>The Board retains the discretion to adjust both the Relative TSR and EPS hurdles outlined above to ensure that Mr. Fenlon (and all other Plan participants) are neither advantaged nor disadvantaged by matters outside management's influence that materially affect the achievement of the hurdle (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).</p> <p>The Board also retains the discretion to adjust the Relative TSR and EPS hurdles to ensure that they remain appropriately challenging and relevant in order to meet the aims of the Plan.</p>	Relative TSR of the Company ranked against the Comparator Group	Rights subject to Relative TSR hurdle that vest (%)	Less than 60 th percentile	Nil	Between 60 th percentile and 90 th percentile	Straight line pro-rata vesting between 0% and 150%	At or above 90 th percentile	150%	Growth in Company's EPS	Rights subject to EPS hurdle that vest (%)	Below 10% EPS growth	Nil	Between 10% and 75% EPS growth	Straight line pro-rata vesting between 0% and 100%	Between 75% and 100% EPS growth	Straight line pro-rata vesting between 100% and 150%	At or above 100% EPS growth	150%
Relative TSR of the Company ranked against the Comparator Group	Rights subject to Relative TSR hurdle that vest (%)																		
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Performance / vesting period	<p>The Relative TSR and EPS hurdles outlined above will be tested over the Performance Period.</p> <p>As the Company's full-year results are not typically announced to the market until late August each year following the results announcement, the final number of Rights that vest will not be determined until after this time.</p> <p>Any Rights that do not vest following testing will lapse.</p>																		

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Term	Details
Allocation of Shares upon vesting	<p>Following determination of the extent to which the performance hurdles have been satisfied (at the end of the Performance Period), vested Rights will be automatically exercised, and one Share will be allocated for each vested Right that is exercised.</p> <p>The Company's obligation to allocate Shares on vesting and automatic exercise may be satisfied by issuing new Shares, acquiring Shares on-market or transferring Shares from an employee share trust.</p>
Price payable for securities	<p>No amount is payable in respect of the grant of Rights, nor in respect of any Shares allocated on exercise of vested Rights.</p>
Trading restrictions	<p>Shares allocated on exercise of vested Rights will not be subject to any further trading restrictions, subject to compliance with the BWX Securities Trading Policy.</p> <p>Entering into any scheme or arrangement to "hedge" or alter the economic benefit of the Rights is prohibited.</p>
Cessation of employment	<p>If Mr. Fenlon ceases employment with the Company prior to the vesting of Rights, the treatment of the Rights will depend on the circumstances of his cessation.</p> <p>Where Mr. Fenlon ceases employment prior to vesting of his Rights due to his resignation or termination for cause (including gross misconduct), all of his unvested Rights will automatically lapse.</p> <p>Where Mr. Fenlon ceases employment in any other circumstance prior to vesting of his Rights, then a pro-rata number (based on the portion of the Performance Period that has elapsed at the time of his cessation) of Mr. Fenlon's unvested Rights will remain "on-foot" and will be performance tested at the end of the original Performance Period. To the extent the relevant performance hurdles are satisfied, the Rights will vest at the original vesting date. The Board retains the discretion to apply a different treatment at the time of termination if considered appropriate in the circumstances.</p>
Malus/ Clawback	<p>The Plan provides the Board with the ability to apply malus/clawback and forfeit Rights or Shares in certain circumstances, including fraud, gross misconduct or material misstatement of financial records.</p>
Termination benefits	<p>The approval to provide termination benefits in respect of the FY21 grant does not guarantee that Mr. Fenlon will receive a termination benefit but rather preserves the discretion of the Board to determine the most appropriate treatment in relation to the FY21 grant, which may include allowing vesting of Rights and settlement of them with Shares or a cash equivalent payment upon cessation or allowing more than a pro-rata number of Rights to remain "on foot" upon cessation.</p> <p>The value of any benefit relating to the Rights given in connection with Mr Fenlon ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:</p> <ul style="list-style-type: none"> • the number of Rights held by Mr. Fenlon prior to cessation of employment; • the circumstances of or reasons for Mr Fenlon's cessation of employment; • the result of any pro-rating on cessation of employment;

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Term	Details
	<ul style="list-style-type: none"> whether performance hurdles are met or waived, and the number of Rights that vest; when the Rights vest and Shares are allocated; whether the Rights are settled in Shares or by payment of a cash equivalent amount; and the market price of Shares allocated to Mr Fenlon upon vesting of Rights.
Other information	<p>No other director of the Company is eligible to participate in the Plan or any other employee incentive scheme of the Company.</p> <p>There is no loan scheme in relation to the grant of Rights under the Plan.</p> <p>Details of any Rights issued under the Plan will be published in the Company's 2021 Annual Report along with a statement that approval of the issue of the Rights was obtained at the 2020 AGM under ASX Listing Rule 10.14.</p> <p>Any additional people covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Rights under the Plan after this Resolution 4 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule.</p>

The Group CEO and Managing Director's total remuneration package for FY21

Under his employment agreement, Mr. Fenlon's current total remuneration package is set out below:

Remuneration element	Opportunity
Total Fixed Remuneration (inclusive of Base Salary plus Superannuation) ^{1,2}	\$721,694
FY21 Short-Term Incentive	80% of Base Salary at target (\$560,000) 104% of Base Salary at maximum (\$728,000)
Transformation Incentive Grant for FY21 Long-Term Incentive	150% of Base Salary at maximum (\$1,050,000)

- At the 2019 AGM, Mr. Fenlon was awarded 211,640 Rights in connection with his Sign-On Shares. One-half of the Rights vested on 1 July 2020 and shares in the Company were allocated to Mr. Fenlon. The value of the shares was calculated by the closing price of the share in the Company on 1 July 2020, being \$3.62 per share. As the remaining Rights will not vest until 1 July 2021, subject to Mr. Fenlon's ongoing employment with the Company, no vesting of these Rights will occur in FY21.
- At the 2019 AGM, Mr. Fenlon was awarded 370,370 Rights in connection with the FY20 LTI Plan. As the vesting of the FY20 LTI Plan will not be measured until after 30 June 2022, no vesting of these Rights will occur in FY21.

Further information regarding the CEO and Managing Director's executive remuneration arrangements is detailed on pages 54 to 57 of the 2020 Annual Report.

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Rights previously awarded under the Plan

The following table summarises the Rights previously granted to Mr. Fenlon under the Plan, as approved by Shareholders at the 2019 AGM:

Description	Number of Rights	Average Acquisition Price Paid
FY20 LTI Rights	370,370	\$0
Sign-On Rights	211,640	\$0

For details of the FY20 LTI Rights and the Sign-On Shares, please refer to the Notice of Meeting of AGM for BWX in 2019.

Recommendation

The Board (other than Mr. Fenlon who abstains from making a recommendation because of his interest in the resolution) unanimously recommends that shareholders vote in favour of this Resolution 4.

Voting exclusion statement

BWX will disregard any votes cast in relation to Resolution 4, by or on behalf of the CEO and Managing Director, and any of his associates.

Further, a vote must not be cast on Resolution 4 by any KMP or their Closely Related Party, that is appointed as proxy, if their appointment does not specify the way in which the proxy is to vote.

However, BWX need not disregard a vote on Resolution 4 (and that person is not prohibited from voting) if the vote is cast by:

- a) a person identified above as a proxy or attorney for a person who is entitled to vote on Resolution 4 and the vote is cast in accordance with the directions on the proxy form; or
- b) the Chairman (who may be a KMP) as a proxy or attorney for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of the KMP; or
- c) a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met;
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on resolution 4; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

7. Undirected proxies

The Chairman of the meeting intends to use any undirected proxies held by him to vote at the meeting in favour of each of the resolutions referred to above.

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8. Definitions

AGM means Annual General Meeting.

ASX means ASX Limited or the financial market operated by it known as the Australian Securities Exchange, as the context requires.

Board means the board of directors of the Company.

BWX Limited Equity Incentive Plan means the BWX Equity Incentive Plan, further details of which are outlined in pages 56 to 58 and 61 of the 2020 Annual Report of BWX.

Chairman means chairman of the Annual General Meeting in respect of which this Notice of Meeting is issued.

Closely Related Party means any of the following:

- (a) a spouse, child or dependant of the member;
- (b) a child or dependant of the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- (d) a company the member controls; or
- (e) a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).

Company means BWX Limited ABN 13 163 488 631.

Comparator Group means all of the companies in the S&P ASX Small Ordinaries Index, being companies number 101 to 300 (excluding BWX) listed on the Australian Securities Exchange against which Relative TSR will be measured.

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

Director means a director of the Company.

EPS means the earnings generated by the Company attributable to each Share. EPS will be calculated by dividing NPAT for the relevant period by the weighted average number of ordinary shares outstanding during the Performance Period.

FY20 means the financial year commencing 1 July 2019 and ending 30 June 2020.

Key Management Personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly and includes Directors and certain senior executives.

LTI means long-term incentive.

NPAT means net profit after tax, adjusted for the after-tax effect of material infrequent items that the Board believes do not reflect ongoing operations of the Group, and amortisation of acquired intangible assets.

Performance Period means the three-year period of performance between 1 July 2020 and 30 June 2023 against which the Relative TSR and EPS hurdles are measured.

Relative TSR compares the TSR of the Shares of the Company against the securities of a select group of peer companies listed on the Australian Securities Exchange, described as the Index.

Right means an entitlement to receive one Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance and / or service-related conditions.

S&P ASX Small Ordinaries Index means all of the companies listed on the ASX from company number 101 to 300 by market capitalisation (excluding BWX).

Explanatory Notes

Shareholder means the registered holder of at least one Share.

Shares means fully paid ordinary shares in the capital of the Company.

Total Shareholder Return, or TSR means total shareholder return, which is a measure of the return of the Shares of the Company over time calculated on the assumption that all dividends are reinvested when paid.

VWAP means volume weighted average price over the relevant period stated.

Annexure A

Nomination by Shareholder

**BWX Limited
2 Darby Way
Dandenong South
Victoria 3175**

1 October 2020

Nomination of PricewaterhouseCoopers as auditor of BWX Limited to fill a temporary vacancy

In accordance with section 328B of the Australian Corporations Act 2001, I, David John Fenlon, nominate PricewaterhouseCoopers for appointment as the auditor of BWX Limited at BWX Limited's next Annual General Meeting scheduled to be held on 16 November 2020, or any postponement or adjournment of that Annual General Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David John Fenlon', written over a horizontal line.

**David John Fenlon
Shareholder**