

# TCP INTERNATIONAL HOLDINGS LTD.

## CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

Adopted as of June 25, 2014 (as amended through August 4, 2016)

### I. Purpose of the Committee

The purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of TCP International Holdings Ltd. (the “Company”) shall be to oversee the Company’s compensation and employee benefit plans and practices, including its executive compensation plans, and its incentive-compensation and equity-based plans; to review and discuss with management the Company’s Compensation Discussion and Analysis (“CD&A”) to the extent required to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with the Securities and Exchange Commission (“SEC”); to prepare a Committee report (the “Compensation Committee Report”) to the extent required by the rules of the SEC; to prepare the disclosure required by Item 407(e)(5) of Regulation S-K; periodically review the Company’s compensation strategy, guidelines and performance criteria; prepare proposals to be made to the General Meeting regarding the compensation of the members of the Board and of Executive Management; and to perform such other functions as may be consistent with this charter or assigned by applicable law, the Company’s Articles of Association, as amended from time to time (the “Articles of Association”) or the Board. References herein to the “Company” include the subsidiaries of the Company, as applicable. The Board may amend or terminate this charter at any time.

### II. Composition of the Committee

The Committee shall consist of three or more directors as determined from time to time by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange (“NYSE”), Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and any additional requirements that the Board deems appropriate. In determining the independence of each director, the Board shall consider all factors specifically relevant to determining whether the director has a relationship with the Company which is material to the director’s ability to be independent from management in connection with the duties of a Committee member, including: the source of the director’s compensation, including any consulting, advisory or other compensation fees and consideration of whether the director receives compensation from any person or entity that would impair his or her ability to make independent judgments about the Company’s executive compensation; and any affiliate relationships between the director and the Company or any of its subsidiaries. This includes consideration of whether an affiliate relationship places the director under the direct or indirect control of the Company or its senior management.

Members of the Committee shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Exchange Act, and “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

Members of the Committee shall be directors, shall be nominated by the Nominating and Corporate Governance Committee of the Board, and shall be elected individually by the Company’s shareholders annually at the ordinary General Meeting of the Company’s Shareholders for a term of office until completion of next ordinary General Meeting in accordance with Article 21 (Compensation Committee; Number of Members; Term of Office; Organization) of the Company’s Articles of Association.

The Chairperson of the Committee, if there be one, shall be designated by the Board from amongst the committee members; *provided* that if the Board does not so designate a chairperson, the members of the Committee may designate a chairperson.

Any vacancy on the Committee shall be filled by the Board in accordance with the terms of the Company’s Amended and Restated Articles of Association and Organizational Regulations, as have been and may from time to time, be amended and/or restated (the “Articles of Association” and “Organizational Regulations,” respectively). No member of the Committee shall be removed except by the Board in accordance with the terms of the Company’s Articles of Association and Organizational Regulations.

### **III. Meetings and Procedures of the Committee**

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less than once annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

A majority of the members of the Committee present in person or by means of a telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee may meet in executive session outside the presence of the Company’s management.

Following each of its meetings, the Committee shall deliver an oral report on the meeting to the Board at the Board meeting next following such Committee meeting, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

#### **IV. Duties and Responsibilities of the Committee**

##### ***A. Director and Executive Compensation***

The Committee shall have subject to the limitations imposed by the Articles of Association the following duties and responsibilities with respect to the Company's executive compensation plans:

(a) To review at least annually the goals and objectives of the Company's executive compensation plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

(b) To review at least annually the Company's executive compensation plans in light of the Company's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new, or the amendment of existing, executive compensation plans.

(c) To evaluate annually the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider factors, as it determines relevant, which may include, for example, the Company's performance and relative shareholder return, the value of similar awards to chief executive officers of comparable companies, the awards given the Chief Executive Officer in recent years and the various agreements with shareholders to which the Company is a party. The Committee may discuss the Chief Executive Officer's compensation with the full Board if it chooses to do so. The chairperson of the Committee shall communicate the results of its evaluation of the Chief Executive Officer to the Chief Executive Officer.

(d) To evaluate annually the performance of the other executive officers of the Company in light of the goals and objectives of the Company and make recommendations to the Board with respect to the compensation of such other executive officers. To the extent that longterm incentive compensation is a component of such executive officers' compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer.

(e) To evaluate annually the appropriate level of compensation for Board and Committee service by non-employee directors. Director's fees (including any additional amounts paid to chairpersons of committees and to members of committees of the Board) are the only compensation a member of the Committee may receive from the Company; *provided, however*, that a member of the Committee may also receive fixed amounts of compensation under a retirement plan (including deferred compensation) from the Company for prior service with the Company so long as such compensation is not contingent in any way on continued

service. Director's fees may include cash payments or equity awards as provided for by a director equity plan established by the Board.

(f) To review and approve any severance or termination arrangements to be made with any executive officer of the Company.

(g) To perform such duties and responsibilities as may be assigned to the Board or the Committee under the terms of any executive compensation plan and to review and approve grants and awards to executive officers under the Company's equity-based compensation plan.

(h) To review perquisites or other personal benefits to the Company's executive officers and directors and recommend any changes to the Board.

(i) To the extent required by the rules of the SEC, review and discuss with management the Company's CD&A, and based on that review and discussion, to recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K.

(j) To the extent required by the rules of the SEC, consider the results of the any recent shareholder vote on executive compensation as required by Section 14A of the Exchange Act or Swiss law.

(k) To review compensation arrangements for the Company's employees in order to evaluate whether incentive and other forms of pay encourage unnecessary or excessive risk taking, and review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and the Company's compensation arrangements.

(l) To the extent it deems necessary, review and approve the terms of any compensation "clawback" or similar policy or agreement between the Company and the Company's executive officers or other employees subject to Section 16 of the Exchange Act.

(m) To the extent required by the rules of the SEC, prepare the Compensation Committee Report in accordance with the rules and regulations of the SEC for inclusion in the Company's annual proxy statement or Annual Report on Form 10-K.

(n) To perform such other functions as assigned by law, the Company's Articles of Association or the Board.

(o) To the extent required by the rules of the SEC, review and, if the Committee deems it appropriate, comment on the description of the Committee's processes and procedures for the consideration and determination of executive and director compensation to be included in the Company's Annual Report on Form 10-K.

Notwithstanding anything to the contrary in the foregoing, the Committee shall have sole discretion and authority with respect to any action regarding compensation payable to the Chief Executive Officer or other executive officers of the Company that the Committee intends to

constitute “qualified performance-based compensation” for purposes of Section 162(m) of the Code, as amended, and the Treasury Regulations promulgated thereunder.

Notwithstanding anything set forth above, the Committee shall adhere to the results of the vote of the Company’s shareholders at its ordinary General Meeting as to the aggregate level of compensation available to be paid to its directors and executive officers for any period; provided, that the Company may enter into and pay compensation arrangements prior to such shareholder vote if such compensation provisions include an appropriate “claw back” provision. For this, all compensation arrangements by the Committee shall be made subject to Section IV and V of the Company's Articles of Association.

### **B. General Compensation and Employee Benefit Plans**

The Committee shall have the following duties and responsibilities with respect to the Company’s general compensation and employee benefit plans, including incentive-compensation and equity-based plans:

(a) To review at least annually the goals and objectives of the Company’s general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

(b) To review at least annually the Company’s general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Committee deems it appropriate.

(c) To review all equity-compensation plans to be submitted for shareholder approval under the NYSE listing standards, and to review and, in the Committee’s sole discretion, approve all equity-compensation plans that are exempt from such shareholder approval requirement.

(d) To perform such duties and responsibilities as may be assigned to the Committee or the Board under the terms of any compensation or other employee benefit plan, including any incentive-compensation or equity-based plan.

### **V. Delegation of Authority**

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

### **VI. Evaluation of the Committee**

The Committee shall, no less frequently than annually, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately

addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

## **VII. Investigations and Studies; Outside Advisers**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee, the expense of which shall be borne by the Company. The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (c) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (d) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (e) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- (f) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall conduct the independence assessment with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Committee, other than: (i) in-house legal counsel; and (ii) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be

required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the compensation consultant, and about which the compensation consultant does not provide advice.

Nothing herein requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the Committee shall consider the enumerated independence factors before selecting or receiving advice from a compensation consultant, legal counsel or other compensation adviser. The Committee may select or receive advice from any compensation consultant, legal counsel or other compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Nothing herein shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the Committee; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

#### **VIII. Communication with Non-Management Directors**

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to the Chairperson, or to the Independent Directors as a group, may do so by addressing such communications or concerns to the Lead Director of the Board of Directors, 325 Campus Drive, Aurora, Ohio, 44202, who will forward such communications to the appropriate party. Such communications may be done confidentially or anonymously.

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