



**Reliance Worldwide Corporation Limited  
ACN 610 855 877**

**Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting (**General Meeting**) of Reliance Worldwide Corporation Limited (ACN 610 855 877) (**Company**) will be held as follows:

**Date:** Thursday 27 October 2022  
**Time:** 10.00am (Melbourne time)  
**Venue:** Level 2, RACV Club, 501 Bourke Street, Melbourne Victoria 3000

This Notice of General Meeting is accompanied by an Explanatory Memorandum which contains an explanation of, and information regarding, the proposed resolutions. The Explanatory Memorandum forms part of this Notice of General Meeting.

**In-person General Meeting and COVID-19**

The General Meeting will be held as an in-person meeting. The health and safety of our shareholders, employees and the broader community are extremely important to the Company's Board and management. The Company will comply with any applicable COVID-19 restrictions in conducting the meeting. Persons attending the General Meeting will be required to comply with COVID-19 protocols in place at the time.

If COVID-19 circumstances change in a way which impacts the holding of an in-person General Meeting, the Company will provide an update by announcement to the ASX and on its website. Shareholders are encouraged to check the ASX announcements platform (ASX Code: RWC) and the Company's website for any updates in connection with the General Meeting.

Even if you plan to attend the General Meeting, we encourage you to submit a directed proxy vote prior to the General Meeting so that your vote will be counted if for any reason you cannot vote on the day. Shareholders are also encouraged to submit written questions in advance of the General Meeting.

**Items of Business**

**Item 1: Financial Report**

To receive and consider the Financial Report of the Company and the reports from the Directors and the auditor for the financial year ended 30 June 2022. Please note that no resolution or vote is required for this item of business.

**Item 2: Re-election of directors**

**Item 2.1: Re-election of Christine Bartlett as a Director**

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

*"That Christine Bartlett, who retires in accordance with the terms of the Company's Constitution, be re-elected as a Director of the Company."*



#### **Item 2.2: Re-election of Stuart Crosby as a Director**

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

*“That Stuart Crosby, who retires in accordance with the terms of the Company’s Constitution, be re-elected as a Director of the Company.”*

#### **Item 3: Remuneration Report**

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

*“That the Remuneration Report, which forms part of the Directors’ Report for the year ended 30 June 2022, be adopted.”*

Please note that:

- the vote on this resolution is advisory only and does not bind the Directors or the Company; and
- a voting exclusion statement applies in respect of this resolution (see Item 3 of the Explanatory Memorandum).

#### **Item 4: Award of long term incentive grant to Heath Sharp, Managing Director and Chief Executive Officer**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholders approve and authorise the grant by the Company to Mr. Heath Sharp of rights to receive fully paid ordinary shares in the Company as his long-term incentive grant for the year ended 30 June 2023 on the terms and conditions described in the Explanatory Memorandum.”*

A voting exclusion statement applies in respect of this resolution (see Item 4 of the Explanatory Memorandum).

#### **Item 5: Amendments to the Company’s Constitution**

To consider and, if thought fit, pass the following resolution as a special resolution:

*“That the Constitution of the Company be amended, with effect from the conclusion of the meeting, in the manner set out in the Explanatory Memorandum, a copy of such amendments to be tabled and signed by the Chairman of the meeting for the purposes of identification.”*

#### **Item 6: Remuneration of Non-executive Directors**

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

*“That, for the purposes of ASX Listing Rule 10.17, rule 8.3(a) of the Company’s Constitution and for all other purposes, the maximum aggregate remuneration which may be paid by the Company to Non-executive Directors in any year for their services as Directors of the Company be increased from A\$1,500,000 to A\$2,000,000 per annum.”*

Please note that a voting exclusion statement applies in respect of this resolution (see Item 6 of the Explanatory Memorandum).

Please refer to the Explanatory Memorandum for further information on these resolutions.



## Important notes

### (a) Attendance and voting eligibility

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding shares as at 7.00pm (Melbourne time) on Tuesday 25 October 2022. Accordingly, share transfers registered after that time will be disregarded in determining shareholders' entitlements to attend and vote at the General Meeting.

If more than one joint holder of shares is present at the General Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### (b) Proxy instructions

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint an individual or body corporate to act as their proxy to attend and vote on the shareholder's behalf.

Shareholders entitled to cast two or more votes may appoint up to two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific number or proportion of the shareholder's votes. If the appointment does not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes. A proxy may, but need not, be a shareholder.

A shareholder that is a body corporate, or a corporation which has been appointed as a proxy, is entitled to appoint any individual to act as its representative at the General Meeting. The appointment of the representative must comply with the requirements under s250D of the *Corporations Act 2001* (Cth) (**Corporations Act**). Please advise your representative of their appointment and ensure that satisfactory evidence of their appointment is provided prior to the General Meeting, in the same manner, and by the same time, as outlined below for Proxy Forms, so that they can participate in the meeting and exercise your voting instructions.

Completed Proxy Forms must be received by the Share Registry by **10.00am (Melbourne time) on Tuesday, 25 October 2022**, being no later than 48 hours before the commencement of the General Meeting. Any Proxy Form received after that time will not be valid for the scheduled General Meeting.

Proxies may be lodged by doing one of the following:

#### Online:

<http://www.investorvote.com.au>

or

<http://www.intermediaryonline.com> (for intermediary online users only)

#### Fax:

1800 783 447 within Australia or

+61 3 9473 2555 outside Australia



**Posting it to:**

Computershare Investor Services Pty Limited

GPO Box 242

Melbourne VIC 3001

Australia

The Proxy Form:

- may specify the manner in which the proxy is to vote in respect of a resolution and, where it so provides, the proxy is not entitled to vote on the resolution except as specified on the Proxy Form; and
- shall be in such form as the Directors determine and which complies with s250A of the Corporations Act and the ASX Listing Rules.

If a proxy is not directed how to vote on a resolution, the proxy may vote, or abstain from voting, as they think fit subject to any applicable voting exclusions.

Shareholders who return their Proxy Forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a Proxy Form is returned but the nominated proxy does not attend the General Meeting or fails to vote in accordance with the shareholder's instruction, the Chairman will act in place of the nominated proxy and vote in accordance with any instructions.

Please note that for proxy appointments exercisable by the Chairman that do not contain a direction on how to vote, the Chairman intends to vote all available proxies in favour of each of the items proposed in this Notice of General Meeting.

*Remuneration related resolutions*

If you appoint the Chairman of the meeting as your proxy, or the Chairman of the meeting is appointed as your proxy by default, and you do not mark a voting box for Items 3, 4 and/or 6 then by submitting the Proxy Form you will be expressly authorising the Chairman of the meeting to exercise your proxy as he or she sees fit even though these Items are connected with the remuneration of the Company's Key Management Personnel.

If you appoint another member of the Company's Key Management Personnel (or a closely related party of such a person) as your proxy, you should direct him/her how to vote on Items 3, 4 and 6 as such persons are not permitted to vote undirected proxies on these resolutions and any undirected proxies will not be counted in calculating the required majority.

**(c) Voting by attorney**

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the General Meeting. An attorney may not vote at the General Meeting unless the instrument appointing the attorney, and any authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for Proxy Forms.



**(d) Poll**

Each resolution to be considered will be voted on by conducting a poll.

On a poll, each shareholder eligible to vote and in attendance either in person, by proxy, attorney or corporate representative has one vote for every fully paid ordinary share they hold.

On a poll, if:

- a shareholder has appointed a proxy (other than the Chairman of the General Meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
- that shareholder's proxy is either not recorded as attending the General Meeting or does not vote on the resolution,

the Chairman of the General Meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the shareholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that shareholder.

**(e) Submitting questions**

Shareholders entitled to vote at the General Meeting will be given a reasonable opportunity to ask questions in connection with the management of the Company.

Shareholders are encouraged to submit written questions prior to the meeting. The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. However, there may not be sufficient time available at the General Meeting to address all of the questions raised. Please note that individual responses will not be sent to any shareholder.

Written questions may also be submitted to the auditor, KPMG, prior to the General Meeting which relate to the:

- content of the auditors' report to be considered at the General Meeting; or
- conduct of the audit of the Financial Report to be considered at the General Meeting.

Written questions can be submitted ahead of the meeting by completing the online form at [www.investorvote.com.au](http://www.investorvote.com.au).

Any shareholder who wants to submit a question ahead of the meeting must do so by no later than 10.00am (Melbourne time) Thursday, 20 October 2022.

The Company will provide questions to the auditor for consideration. A list of the questions that the auditor considers relevant to the matters outlined above will be made available by the Company to shareholders at the General Meeting. However, the auditor is not obliged to provide written answers.

Dated: 21 September 2022

By order of the Board.

A handwritten signature in blue ink, appearing to read 'D Neufeld', is written over a light blue horizontal line.

David Neufeld  
**Company Secretary**



**Reliance Worldwide Corporation Limited**  
**ACN 610 855 877**

**Explanatory Memorandum**

This Explanatory Memorandum has been prepared to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of General Meeting of the Company in respect of the General Meeting to be held at 10.00am (Melbourne time) on Thursday, 27 October 2022.

The Directors recommend that shareholders read this Explanatory Memorandum carefully before making any decision in relation to the resolutions.

**Item 1 – Financial Report**

The Corporations Act requires the Company's Financial Report, including the Directors' Report and the report from the auditor, in respect of the financial year ended 30 June 2022 to be laid before the General Meeting. The 2022 Annual Report is available on the Company's website at <https://www.rwc.com/investors/financial-results>.

There is no requirement for a formal resolution to be considered on this Item.

Shareholders will be given a reasonable opportunity to ask questions about these reports and to ask questions about or make comments on the management of the Company.

The Company's auditor will attend the General Meeting and be available to answer questions about the:

- conduct of the audit;
- preparation and content of the auditor's report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

**Item 2 – Re-election of Directors**

The ASX Listing Rules require that at least one Director be elected/re-elected at each Annual General Meeting. A Director who retires from office or whose office is vacated under the Company's Constitution will be eligible for re-election to the Board at the meeting at which that Director retires from office.

**Item 2.1 – Re-Election of Christine Bartlett as a Director**

Christine Bartlett was appointed as a Director on 6 November 2019 and was last elected to the Board on 29 October 2020. Ms. Bartlett retires in accordance with rule 8.1(f) of the Company's Constitution and, being eligible, offers herself for re-election. The Board considers Ms. Bartlett to be an independent Director. Ms. Bartlett chairs the Nomination and Remuneration Committee and is a member of both the Environment, Social and Governance Committee and the Health and Safety Committee.

Ms. Bartlett is an experienced CEO and senior executive with extensive line management experience gained through roles with IBM, Jones Lang LaSalle and National Australia Bank Limited. Her executive career has included Australian, regional and global responsibilities based in Australia, the USA and Japan. She is currently a Non-Executive Director of Mirvac Group, Sigma Healthcare Limited and TAL; and was previously a director of GBST Holdings Limited, PropertyLook, National Nominees Ltd, the Australian Custodial Services Association, icare and The Smith Family. She is a member of the UNSW Australian School of Business Advisory Council, Chief Executive Women and the Australian Institute of Company Directors. Ms. Bartlett holds a Bachelor of Science from the University of Sydney and has completed senior executive management programs at INSEAD.

The Board believes that Ms. Bartlett's substantial expertise and experience enhances the Board's ability to oversee the Company's performance and governance, particularly in financial discipline, identifying risk, complex project management, execution of strategy, fostering innovation and taking advantage of new emerging technologies. Ms Bartlett's commercial perspective, technical and organisational expertise is



particularly valuable in her role as Chair of the Nomination and Remuneration Committee. Accordingly, each Director of the Company, with Ms. Bartlett abstaining, recommends that shareholders vote in favour of the resolution to re-elect Ms. Bartlett as a Director of the Company.

## **2.2 – Re-election of Stuart Cosby as a Director**

Mr. Crosby was appointed as a Director on 11 April 2016 and was last re-elected to the Board on 29 October 2020. Mr. Crosby retires in accordance with rule 8.1(f) of the Company's Constitution and, being eligible, offers himself for re-election. Mr. Crosby is considered by the Board to be an independent Director. Mr. Crosby is Chairman of the Board. He is a member of both the Audit and Risk Committee and the Environment, Social and Governance Committee. He served as a member of the Nomination and Remuneration Committee from 2016 until 2022 and is a past Chair of that Committee.

Mr. Crosby was appointed Chairman of the Company on 4 March 2019.

Mr. Crosby was the Chief Executive Officer and President of Computershare Limited for nearly eight years until June 2014. Mr. Crosby previously held a number of senior executive positions across the Computershare business. Before joining Computershare, Mr. Crosby worked for the Australian National Companies and Securities Commission, the Hong Kong Securities and Futures Commission and at ASX Limited. Mr. Crosby is Chair of AMES Australia.

The Board believes that Mr. Crosby's substantial expertise and experience enhances the Board's ability to oversee the Company's performance and governance, particularly in relation to stakeholder engagement, corporate governance, financial discipline, risk management and monitoring and reviewing management's execution of strategy. Mr. Crosby's expertise is particularly valuable in his role as Chair of the Company. Accordingly, each Director of the Company, with Mr. Crosby abstaining, recommends that shareholders vote in favour of the resolution to re-elect Mr. Crosby as a Director of the Company.

## **Item 3 – Remuneration Report**

Shareholders are asked to consider and vote to adopt the Remuneration Report of the Company for the financial year ended 30 June 2022. The Remuneration Report forms part of the Directors' Report. The Remuneration Report:

- details and discusses the Company's policies for the remuneration of defined Key Management Personnel. A revised remuneration framework has been effective from 1 July 2021. A summary of key details of the revised framework are provided in the Remuneration Report; and
- sets out the remuneration arrangements in place for defined Key Management Personnel during the reporting period.

Shareholders will have an opportunity to comment on or ask questions about the Remuneration Report at the General Meeting.

The vote on this Item is advisory only in accordance with the requirements of the Corporations Act. The outcome of the vote will not bind the Company or the Directors. However, the Directors will take account of the discussion on this item of business and the outcome of the vote when considering future remuneration arrangements of Directors and senior executives.

Each Director recommends that shareholders vote in favour of the resolution to adopt the Remuneration Report.

### **Voting exclusion statement**

The Company will disregard any votes cast on Item 3:

- by or on behalf of a person who is a member of the Key Management Personnel named in the Remuneration Report for the year ended 30 June 2022 and their closely related parties (regardless of the capacity in which the vote is cast); and



- as proxy by a person who is a member of the Key Management Personnel on the date of the General Meeting and their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 3:

- in accordance with the directions on the Proxy Form; or
- by the person chairing the meeting, in accordance with an express authorisation in the Proxy Form to exercise the proxy even though Item 3 is connected with the remuneration of the Key Management Personnel.

#### **Item 4 – Award of long term incentive grant to Heath Sharp, Managing Director and Chief Executive Officer**

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of Performance Rights to Mr. Heath Sharp, Managing Director and Chief Executive Officer (**CEO**), as part of his long-term incentive award for the year ended 30 June 2023 (**LTI offer**) as well as for the issue of any shares on vesting of the Performance Rights up to the Maximum Opportunity.

#### Background

The Company has introduced a revised remuneration framework which commenced on 1 July 2021 following an extensive review. Key considerations in developing and implementing the revised remuneration framework included that it be:

- Market competitive and capable of being implemented across the business in a consistent manner;
- Performance based with a target remuneration mix focused on incentive pay linked to operational performance and shareholder value creation;
- Referenced primarily against a USA peer group to recognise that 75% of senior executives and other leaders are based there; and
- Aligned with shareholder expectations.

A summary of the revised remuneration framework is presented in Section B of the 2022 Remuneration Report.

Key outcomes from the review as they impact the CEO are:

- Alignment of total remuneration with market benchmarks requires adjusting fixed and variable remuneration. This will be achieved by implementing a downward adjustment of fixed remuneration by approximately 20% over a transition period of 3 years commencing from 1 July 2021 with a corresponding increase in STI and LTI opportunities;
- STI awards will be paid in cash. This is consistent with USA practice where the CEO and the majority of RWC's senior executives are based. It also allows an opportunity for the CEO to earn back the fixed remuneration foregone in the transition to the new remuneration framework;
- LTI awards will be made annually. Vesting will be subject to performance conditions and a service period requirement. Details of the vesting conditions for the CEO's proposed FY2023 award are detailed below; and
- Alignment with industry practice in the USA, including a focus on "target" remuneration and plan design maximum incentive values at 200% of target for both STI and LTI.

#### CEO's remuneration package for FY2023

The Board has approved the following remuneration package for the CEO for FY2023. The LTI offer is subject to shareholder approval.

- Fixed remuneration – US\$1,175,000, a decrease of 6% from FY2022 fixed remuneration for the reasons set out above and in the Remuneration Report. Plus applicable contributions to pension funds, a perquisite allowance of US\$73,200pa and other approved benefits;
- STI Opportunity – Target Opportunity is US\$1,057,500, being 90% of base fixed remuneration. The Maximum Opportunity is two times the Target Opportunity (US\$2,115,000). The award is subject to achievement of performance hurdles and other terms; and





- LTI Opportunity – Target Value for determining the number of Performance Rights to be granted for FY2023 is US\$1,540,000, being 131% of base fixed remuneration. The Maximum Value for determining the number of Performance Rights to be granted for FY2023 is US\$3,080,000, being two times the Target Value. Details of the proposed grant are set out below.

#### FY2023 LTI offer

The LTI offer is designed to align the interests of the CEO with the interests of shareholders by providing him with the opportunity to receive an equity interest in the Company through the granting of performance rights.

If shareholder approval is obtained, Mr. Sharp will be issued up to 1,287,328 Performance Rights (which represents his Maximum Opportunity). Details of how the number of Performance Rights were determined are set out in the table below.

Subject to shareholder approval, the Company will issue 643,664 Performance Rights, representing the Target Opportunity (being 50% of the Maximum Opportunity), to Mr. Sharp shortly after the conclusion of the General Meeting. Additional Performance Rights up to the Maximum Opportunity will be issued subject to the outcome of the assessment of the Performance Conditions. All Performance Rights will be issued within three years of the General Meeting.

The Company grants the LTI in the form of Performance Rights because they create share price alignment between Mr. Sharp and shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the Performance Rights vest.

As the Performance Rights will form part of Mr. Sharp's remuneration, they will be granted at no cost and there will be no amount payable on vesting. The Company may issue new shares or acquire shares on market to satisfy awards under the LTI offer.

If shareholder approval is not obtained, the Board, in its discretion, will consider alternative arrangements to appropriately remunerate and incentivise Mr. Sharp.

#### Details of FY2023 LTI offer

<b>Nature</b>	Each Performance Right entitles Mr. Sharp to one ordinary share in the Company on vesting. Prior to vesting, Performance Rights do not entitle Mr. Sharp to any dividends or voting rights.
<b>Grant Date</b>	1 October 2022 (subject to shareholder approval of the grant)
<b>Vesting Criteria</b>	Subject to Board approval: <ul style="list-style-type: none"><li>• Continuous service period. For FY2023 grants, the continuous service period will be 3 years from Grant Date; and</li><li>• Performance conditions will apply and are described below.</li></ul>
<b>Performance Measurement Period</b>	Any Performance Rights which do not vest will immediately lapse. Commencing on 1 July 2022 and ending on 30 June 2025.
<b>Determining the number of Performance Rights to be granted</b>	Target Opportunity: 643,664 Performance Rights with a Target Value of US\$1,540,000 (A\$2,255,419). Independently assessed fair values of a total shareholder return (TSR) Right (A\$4.99) and an earnings per share (EPS) Right (A\$2.70) obtained at the Performance Measurement Period commencement date were used to determine the number of Performance Rights to be granted.  The Target Opportunity = TSR Rights + EPS Rights  where:  TSR Rights = (50% x Target Value) / TSR Rights fair value; and



EPS Rights = (50% x Target Value) / EPS Rights fair value.

The Maximum Opportunity of 1,287,328 Performance Rights is two times the Target Opportunity.

**Performance Conditions and assessment**

Performance Rights granted are subject to performance conditions in addition to a continuous service period. The Board considers these vesting conditions to be an appropriate combination of stretch financial hurdles directly linked to the RWC Group’s performance and reflecting shareholder interests. The two performance conditions for the FY2023 grant are:

TSR Rights

TSR Rights will be subject to a relative TSR performance condition, which will compare the TSR performance of the Company with the TSR performance of each of the entities in a comparator group over the Performance Measurement Period (“TSR Hurdle”).

TSR measures the growth in the Company’s share price together with the value of dividends over the measurement period (assuming that all those dividends are reinvested into new shares) against the Company’s chosen comparator group, being companies comprising the ASX200 index, excluding mining and energy companies. The comparator group may be adjusted by the Board or Nomination and Remuneration Committee in their reasonable discretion to take into account corporate actions, including but not limited to takeovers, mergers, de-mergers or de-listings.

Relative TSR was chosen because, in the opinion of the Board, it provides the most direct link to shareholder return.

The number of TSR Rights which will be eligible to vest in relation to the TSR Hurdle will be determined by reference to the following schedule:

Relative TSR Ranking	% TSR Rights eligible to vest
Below 40 <sup>th</sup> percentile	Nil
40 <sup>th</sup> percentile	50%
Above 40 <sup>th</sup> and less than 60 <sup>th</sup> percentile	Pro rata straight line vesting between 40 <sup>th</sup> and 60 <sup>th</sup> percentile
60 <sup>th</sup> percentile	100% (Target Amount)
Above 60 <sup>th</sup> and less than 80 <sup>th</sup> percentile	Pro rata straight line vesting between 60 <sup>th</sup> and 80 <sup>th</sup> percentile
80 <sup>th</sup> percentile or above	200% (Maximum Amount)

EPS Rights

EPS Rights will be subject to an earnings per share compound average growth rate performance condition (“EPS Hurdle”). This condition measures earnings per share growth over the Performance Measurement Period. It was chosen as a performance condition because, in the opinion of the Board, it is a measure of the success of Senior Executives and other participants in generating continued business growth.

EPS is determined by dividing net profit after tax (“NPAT”) into the weighted average number of issued shares. The EPS compound average growth rate will be measured on a point to point basis over the Performance Measurement Period.



NPAT may be adjusted at the Board’s discretion to exclude the effects of significant events deemed not appropriate to assess actual employee performance. These significant events may include:

- Acquisition related charges and other items;
- Restructuring and other charges;
- Non-cash impairments;
- Impacts resulting from material changes in foreign currency exchange rates;
- Impact of statutory tax rate changes enacted during the performance period; and
- Any other significant items deemed appropriate by the Board.

The number of EPS Rights which will be eligible to vest in relation to the EPS Hurdle will be determined by reference to the following schedule:

% growth over the Performance Measurement Period	% EPS Rights eligible to vest
4% (Threshold)	Nil
Above 4% and less than 8%	Pro rata straight line vesting from Nil to Target
8% (Target)	100% (Target Amount)
Above 8% and less than 15%	Pro rata straight line vesting from Target to Maximum
15% (Maximum)	200%

**Assessment of performance**

Achievement against performance conditions will be independently assessed following the end of the Performance Measurement Period.

**Clawback**

Defined criteria are in place to prevent inappropriate benefits being paid.

Other key terms of the LTI offer

*Cessation of employment*

Unless the Board determines otherwise:

- All Performance Rights granted will lapse if Mr. Sharp’s employment is terminated for cause or he resigns (or give notice of resignation) prior to the vesting date; or
- if Mr. Sharp ceases employment for any other reason prior to the vesting date, a pro rata portion of the Performance Rights calculated based on the time served from the Grant Date to the date of cessation will remain on foot and will be tested in the ordinary course as though he had not ceased employment. The remainder of his Performance Rights will lapse following cessation of employment.

*Change of control*

In summary, in the event of a takeover bid or other transaction, event or state of affairs that in the Board’s opinion is likely to result in a change in control of the Company or should otherwise be treated as a change of control event, the Board has a discretion to determine how the Performance Rights should be treated for the purpose of vesting.



### *Restrictions on dealing*

Mr. Sharp must not sell, transfer, encumber, hedge or otherwise deal with performance rights.

Mr. Sharp will be free to deal with the shares allocated on vesting of the Performance Rights, subject to the requirements of the Company's Securities Dealing Policy.

### Additional information

- Listing Rule 10.14 provides that a listed company must not issue securities to a Director under an employee incentive scheme unless it obtains the approval of its shareholders. Accordingly, shareholder approval is being sought for the purposes of Listing Rule 10.14 and for transparency and governance reasons, and to preserve the flexibility to issue shares on vesting of the Performance Rights.
- Mr. Sharp was granted 987,800 performance rights on 30 October 2018 following approval by shareholders at the 2018 Annual General Meeting. These performance rights were granted for nil consideration as they form part of Mr. Sharp's remuneration package. Following assessment of performance conditions, 611,201 of those performance rights remain eligible to vest. Details are contained in the Remuneration Report.
- Mr. Sharp was granted 315,990 performance rights following approval by shareholders at the 2021 Annual General Meeting. The maximum opportunity, subject to assessment of performance conditions is 631,980 performance rights. The effective grant date is 1 October 2021. These performance rights were granted for nil consideration as they form part of Mr. Sharp's remuneration package. Details are contained in the Remuneration Report.
- Mr. Sharp was granted 4,000,000 options at the time of the IPO in 2016. The options were granted for nil consideration as they form part of Mr. Sharp's remuneration package. The options vested on 30 June 2022 and are exercisable until 30 June 2031. Details of the terms of this grant are contained in the Remuneration Report.
- Mr. Sharp is the only Director entitled to participate in, and receive performance rights under, the LTI offer.
- No loan will be made by the Company in relation to the acquisition of performance rights or allocation to Mr. Sharp of any shares on vesting of those rights.
- Details of any securities issued under the scheme will be published in the annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the Notice of General Meeting will not participate until approval is obtained under that rule.

Each Director, with Mr. Sharp abstaining, recommends that shareholders vote in favour of Item 4.

### **Voting exclusion statement**

The Company will disregard any votes on Item 4 cast:

- in favour of the resolution by or on behalf of Mr Heath Sharp or his associates (regardless of the capacity in which the vote is cast); and
- as proxy by a person who is a member of the Key Management Personnel on the date of the General Meeting and their closely related parties.

However, votes will not be disregarded if they are cast:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or



- as proxy for a person entitled to vote on the resolution by the chair of the meeting pursuant to an express authorisation to exercise the proxy as the chair of the meeting decides; or
- by a holder acting solely in a 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 the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **Item 5 – Amendments to the Company’s Constitution**

The Company’s Constitution has not been amended since it was adopted in 2016. There have been a number of developments in law, corporate governance principles and general corporate and commercial practice for ASX listed companies since that time.

A summary of the key changes proposed to the Constitution is set out below. A copy of the proposed Constitution, marked up to show changes from the existing Constitution, can be viewed by shareholders prior to the Meeting on the Company’s website at [www.rwc.com/investors/annual-general-meeting](http://www.rwc.com/investors/annual-general-meeting).

#### Summary of key changes

##### *General meetings*

The proposed constitution incorporates a number of changes to assist with the orderly conduct of general meetings and to reflect changes in market practice since the Constitution was last updated. The proposed constitution allows the Company to hold physical and hybrid general meetings. The Company will not be able to hold a virtual only meeting unless ASIC provides express relief under the Corporations Act.

Rule 7.7 of the proposed Constitution allows for matters to be decided on a show of hands but recognises that all resolutions set out in the notice of meeting would be determined by a poll, which is now required by law.

##### Directors

The current Constitution has a maximum Board size of 7 directors and the Board currently has 7 directors. The proposed constitution increases the maximum Board size to 10 directors to allow for the appointment of additional Directors and generally to provide flexibility for succession planning. The Board has announced an intention to appoint an additional Non-executive Director, subject to approval by shareholders of amendments to the Constitution and a proposed increase in the Non-executive Directors’ fee pool (Item 6).

##### *Dividends*

Rule 4.1 of the proposed constitution reflects section 254V(1) of the Corporations Act and reflects market practice. The proposed constitution provides the Board with the flexibility to rescind a dividend before the payment date if it decides that is in the best interests of the Company and provides the Company with the ability to reinvest unclaimed dividends for the benefit of the relevant shareholder.

##### *General updates*

The restricted securities provisions of the proposed constitution have been updated to reflect changes to Listing Rule 15.12 in December 2019. Attachment 1 (Proportional takeover bid/scheme) has been removed as it was background information that need not form part of the Constitution. The proportional takeover provisions in Rule 6 remain unchanged.



## Item 6 – Remuneration of Non-executive Directors

ASX Listing Rule 10.17, provides that a listed entity must not increase the total aggregate amount of directors’ fees payable to all of its Non-executive Directors without shareholder approval.

In accordance with rule 8.3(a) of the Company’s Constitution and ASX Listing Rule 10.17, the Company is seeking approval from shareholders to increase the maximum aggregate amount available for Non-executive Directors’ remuneration from A\$1,500,000 to A\$2,000,000 per year, an increase of A\$500,000 per year.

The current maximum aggregate amount of A\$1,500,000 was approved by shareholders at the 2018 Annual General Meeting. The remuneration provided to each Non-executive Director for the year ended 30 June 2022 is detailed in the Remuneration Report. In respect of the financial year ended 30 June 2022, the total aggregate amount of remuneration paid to Non-executive Directors was A\$1,118,750.

Fees payable to Non-executive Directors were reviewed by the Nomination and Remuneration Committee in the financial year ended 30 June 2022. The review took into account:

- The increased size and complexity of the RWC Group following the John Guest, EZ-FLO International and LCL acquisitions;
- That Non-executive Directors’ fees had not increased since 1 July 2018; and
- An independent benchmarking analysis measured against an appropriate peer group of ASX listed companies.

Following the review, the Committee recommended an increase in fees which the Board subsequently approved with effect from 1 April 2022. The revised fees are better aligned with the median fees paid by the benchmark peer group.

The current fees for Non-executive Directors are:

Role	Annual base fees	Additional fees for Committee Chair	Total annual fees
Chair	A\$380,000	-	A\$380,000
Chair of a Board Committee	A\$180,000	A\$30,000	A\$210,000
Non-Executive Directors (other than Committee Chairs)	A\$180,000	-	A\$180,000

The Board has announced an intention to appoint an additional Non-executive Director, subject to approval by shareholders of amendments to the Constitution (Item 5) and this Item 6. Based on current Board and Committee membership and assuming the additional director appointment, the aggregate of Non-executive Directors’ fees are not expected to exceed A\$1,580,000 in FY2023. No securities have been issued to a Non-executive Director under ASX Listing Rule 10.11 or 10.14 with the approval of shareholders at any time within the last 3 years. Accordingly, it is not the Company’s intention to use the whole of the new maximum aggregate immediately.

The Board is seeking shareholder approval to increase the maximum aggregate amount for Non-executive Directors’ fees for the following reasons:

- The increased size and complexity of the RWC Group following the John Guest, EZ-FLO International and LCL acquisitions;
- That Non-executive Directors’ fees had not increased since 1 July 2018;



- the Company has proposed appointing an additional Director in financial year 2023. This appointment can only proceed if the maximum aggregate amount for Non-executive Directors' fees is increased as proposed;
- to continue to attract and retain individuals of the highest calibre to oversee the strategic and operational challenges of the Company;
- to allow for additional Non-executive Directors being appointed to the Board and provide for appropriate transition periods as part of an active Board renewal and succession planning process; and
- to allow for future adjustments in line with market conditions.

Shareholders should note that the proposed increase in the maximum aggregate amount does not relate to salaries paid to the Managing Director and Chief Executive Officer, Mr. Heath Sharp. He does not receive remuneration in the form of Directors' fees in addition to his salary as disclosed in the Remuneration Report.

If Item 6 is approved by shareholders, the maximum aggregate amount available for Non-executive Directors' remuneration will increase to A\$2,000,000 per year. If Item 6 is not approved, the maximum aggregate will remain at A\$1,500,000 and the Board will not have the flexibility described above.

As the Non-executive Directors have a personal interest in the subject of this resolution, the Board does not believe it is appropriate to make a recommendation to shareholders in relation to this resolution.

#### **Voting exclusion statement**

The Company will disregard any votes on Item 6 cast:

- in favour of the resolution by or on behalf of a Director of the Company and their associates (regardless of the capacity in which the vote is cast); and
- as proxy by a person who is a member of the Key Management Personnel on the date of the General Meeting and their closely related parties.

However, votes will not be disregarded if they are cast:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the chair of the meeting pursuant to an express authorisation to exercise the proxy as the chair of the meeting decides; or
- by a holder acting solely in a 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 the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

