



**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) (**RWC or the Company**) will be held as follows:

**Date:** Thursday 24 October 2024  
**Time:** 10.00am AEDT  
**Venue:** Barnet Room, The Fullerton Hotel, No. 1 Martin Place, Sydney, NSW 2000

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**

The General Meeting will be held as an in-person meeting. If 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 2024. Please note that no resolution or vote is required for this item of business.

**Item 2: Re-election of Darlene Knight as a Director**

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

*"That Darlene Knight, 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 2024, 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 in 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 ending 30 June 2025 on the terms and conditions described in the Explanatory Memorandum.”*

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

**Item 5: Renewal of proportional takeover approval provisions**

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

*“That rule 6 of the Company’s Constitution setting out the existing proportional takeover provisions be renewed for a period of three years commencing on the day the resolution is passed.”*

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 AEDT on Tuesday 22 October 2024. 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 General Meeting and exercise your voting instructions.

Completed Proxy Forms must be received by the Share Registry by **10.00am AEDT on Tuesday, 22 October 2024**, 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 Chair of the General Meeting as their proxy to vote on their behalf.

Please note that for proxy appointments exercisable by the Chair of the General Meeting that do not contain a direction on how to vote, the Chair of the General Meeting 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 Chair of the General Meeting as your proxy, or the Chair of the General Meeting is appointed as your proxy by default, and you do not mark a voting box for Items 3 and 4 then by completing and submitting the Proxy Form you will be expressly authorising the Chair of the General 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 and 4 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 their 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 Chair 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 Chair 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, as a whole, to ask questions in connection with the management of the Company.

Shareholders are encouraged to submit written questions prior to the General Meeting. The Chair of the General Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the General 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 General 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 General Meeting must do so by no later than 5.00pm AEDT on Thursday, 17 October 2024. Individual responses will not be sent to shareholders.

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: 23 September 2024

By order of the Board.

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 AEDT on Thursday, 24 October 2024.

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 2024 to be laid before the General Meeting. The 2024 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, as a whole, 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 Darlene Knight as a Director**

The ASX Listing Rules provide that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. The Company's Constitution contains a similar rule. A Director who retires from office under the Company's Constitution and is recommended for election by the Board, will be eligible for re-election to the Board at the meeting at which that Director retires from office.

Darlene Knight was appointed as a Director on 14 April 2021 and was last elected to the Board on 28 October 2021. Ms. Knight retires in accordance with rule 8.1 (d) of the Company's Constitution and, being eligible, offers herself for re-election. The Board considers Ms. Knight to be an independent Director. Ms. Knight chairs the Health and Safety Committee and is a member of the ESG Committee.

Ms. Knight's operational experience was gained with multi-national manufacturing businesses, primarily in the automotive sector, where she held strategic and operations focused roles. Ms. Knight has held senior leadership roles at both supplier and OEM organisations, including General Motors Corporation, EDSCHA GmbH, Johnson Controls, Inc. and Adient, Plc. She has experience in engineering, global manufacturing and quality. Her roles have included P&L responsibility. Ms. Knight holds a Master of Science in Engineering Science from Rensselaer Polytechnic Institute and a Bachelor of Science in Industrial Administration from Kettering University. Ms. Knight is also a director of Fabrinet (NYSE: FN) and eLeapPower.

The Board believes that Ms. Knight's deep and diverse international business experience enhances the Board's ability to oversee the Company's performance and governance, particularly in relation to operational activities, health and safety programs and in developing and executing strategic plans for business growth. Accordingly, each Director of the Company, with Ms. Knight abstaining, recommends that shareholders vote in favour of the resolution to elect Ms. Knight 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 2024. 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 summary of key details of the Company's remuneration framework is provided in the Remuneration Report; and
- sets out the remuneration arrangements in place for defined Key Management Personnel during the reporting period.

Shareholders, as a whole, 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 2024 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 General 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 and Service Rights (together **Rights**) to Mr. Heath Sharp, Managing Director and Chief Executive Officer (**CEO**), as part of his long-term incentive award for the year ending 30 June 2025 (**LTI offer**) as well as for the issue of any shares on vesting of the Rights up to the Maximum Opportunity. Rights entitle the CEO to receive fully paid ordinary shares in the Company subject to satisfaction of vesting conditions.

#### Background

The Board believes that the remuneration framework should adequately balance the need to attract and retain the best people to run RWC's business while ensuring that remuneration is linked clearly to shareholder returns and remains comparable with appropriate industry and geographical peer groups. The Company's current remuneration framework commenced with effect from 1 July 2021 with transitional changes occurring since commencement. The transition to the framework is now complete. It is designed to ensure RWC remains competitive in the USA, whilst being mindful of the Australian environment where total remuneration quantum is typically more restrained.



A traditional remuneration framework for ASX200 companies comprises fixed pay, STI and performance tested LTI. However, RWC mostly competes for talent in the USA market, where remuneration is quite transparent and competitive in our sector and has established paradigms for the size, shape and description of remuneration packages that are different from usual practice for ASX listed companies. It is common practice in the USA to have remuneration packages with lower base salaries and much higher at-risk STI and LTI opportunities, including larger equity grants, than is typical in the Australian market. This includes service-based restricted equity grants which are not subject to performance conditions. In the USA, where the majority of RWC's senior executives are based, providing a component of remuneration via service-based restricted equity is market practice. The Company introduced service-based restricted equity grants for the CEO and other senior executives for FY2024 LTI awards. There are no changes planned to the structure of the LTI award for FY2025.

RWC's remuneration framework reflects the following:

- Market competitive and capable of being implemented across the Group 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:
  - International expansion has resulted in RWC's operating activities being less Australian based;
  - The majority of senior executives are US based with 75% of senior executive roles based there;
  - The Group currently generates around 70% of external revenue from its Americas business in addition to having major manufacturing and distribution facilities in North America. Approximately 12% of external revenue was generated in the APAC region in FY2024; and
  - The vast majority of senior roles within RWC, other than regional roles, will be filled from the US employment market. Having US competitive employment terms is vital to recruiting and retaining talent;
- Aligned with shareholder expectations;
- Alignment of total remuneration for the CEO and other senior executives based on market benchmarks;
- STI awards are paid in cash. This was and remains consistent with USA practice where the CEO and the majority of RWC's senior executives are based;
- 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 FY2025 LTI award are detailed below;
- The Nomination and Remuneration Committee undertook an extensive review of the CEO's remuneration arrangements during FY2023. The review focused on, but was not limited to, his LTI opportunity. That review expanded into a broader review of the remuneration framework resulting in several changes to the Company's LTI framework. The review undertaken by the Nomination and Remuneration Committee included engaging US and Australian based external consultants to provide advice on structure and benchmarking analysis. The benchmarking analysis undertaken in FY2023 was against a peer group of 16 building materials companies (all NYSE listed) and 14 of which were US based. Additional details on the changes are provided in the FY2023 and FY2024 Remuneration Reports;
- Resulting from that review, from FY2024, the Target Value for LTI awards to the CEO is allocated as 75% Performance Rights (25% each for TSR Rights, EPS Rights and ROCE Rights) and 25% service period only Rights. The service period only Rights component is consistent with remuneration package design for long term incentives awarded in the USA, being the primary peer group market against which RWC compares itself. There are no changes to this allocation methodology for the proposed FY2025 grant;
- Vesting for LTI awards granted to the CEO are subject to performance conditions and a service period requirement. The performance conditions applicable for the FY2025 grant are relative total shareholder return, earnings per share accretion and return on capital employed. These conditions are consistent with





those for the CEO's approved FY2024 grant. Performance conditions are assessed over a 3 year performance horizon commencing 1 July each year. It is intended that LTI awards be made annually. Further details are provided 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.

A summary of the remuneration framework is presented in the FY2024 Remuneration Report.

#### CEO's remuneration package for FY2025

The Board has approved the following remuneration package for the CEO for FY2025. The remuneration package is unchanged from that which applied for FY2024. The LTI offer is subject to shareholder approval.

- Fixed remuneration – US\$1,100,000, representing no change from FY2024. Plus applicable contributions to pension funds, a perquisite allowance of US\$73,200pa and other approved benefits;
- STI Opportunity – Target Opportunity is US\$1,100,000, being 100% of base fixed remuneration. The Maximum Opportunity is two times the Target Opportunity (US\$2,200,000). The award is subject to achievement of performance hurdles, including financial criteria and non-financial criteria (personal goals), and other terms. For the CEO, financial criteria represent 70% of the STI opportunity and personal goals represent 30% of the opportunity. The threshold for the financial criteria target is achievement of a minimum of 90% of Budget for the financial year. A scaling schedule applies to achieve the target and maximum opportunities. The scaling schedule is contained in the Remuneration Report; and
- LTI Opportunity – Target Value for determining the number of Rights to be granted for FY2025 is US\$3,200,000, being 290% of FY2025 fixed remuneration and representing no change from arrangements which were in place for FY2024. The Maximum Value for determining the number of Performance Rights to be granted for FY2025 is US\$5,600,000. Significant over performance against various targets is required to be achieved before the maximum amount of the proposed grant will vest. The Board believes that challenging stretch performance targets have been set.
- The size of the total target and maximum opportunities for the STI and LTI reflects the outcome of the benchmarking analysis and framework review undertaken during FY2023 and reflects a desire to continue offering market competitive remuneration packages. The benchmarking analysis undertaken in FY2023 was against a peer group of 16 building materials companies (all NYSE listed) and 14 of which were US based. While the quantum of LTI is high in an Australian context, it is consistent with the benchmarked scale regressed market median for the peer group CEOs.<sup>1</sup> Although service period only stock is unusual in Australia, it is part of the packages for 13 of the 16 peer group CEOs.<sup>1</sup>
- Details of the proposed FY2025 LTI grant are set out below.

Mr. Sharp's fixed remuneration reduced by approximately 20% over three years from FY2021 to FY2024 and, whilst total direct compensation has increased, this comprises a significant portion of at-risk remuneration which is subject to meeting performance conditions and is not guaranteed. Based on the benchmarking exercise undertaken during FY2023, and with the subsequent increase to LTI Target Value, Mr. Sharp's total direct compensation is now more in line with the current median of his USA peers.

1 Source: Pay Governance LLC



### FY2025 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 Rights.

If shareholder approval is obtained, Mr. Sharp will be issued up to 2,350,234 Rights (which represents his Maximum Opportunity). Details of how the number of Rights were determined are set out in the table below.

Subject to shareholder approval, the Company will issue 1,320,680 Rights, representing the Target Opportunity, to Mr. Sharp shortly after the conclusion of the General Meeting. Additional Rights up to the Maximum Opportunity will be issued subject to the outcome of the assessment of the Performance Conditions. All Rights will be issued within three years of the General Meeting.

The Company grants the LTI in the form of 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 Rights vest.

As the 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 FY2025 LTI offer

<b>Nature</b>	Each Right entitles Mr. Sharp to one ordinary share in the Company on vesting. Prior to vesting, Rights do not entitle Mr. Sharp to any dividends or voting rights.
<b>Service Period</b>	Three years commencing on 1 October 2024 and ending on 30 September 2027.
<b>Performance Measurement Period</b>	Three years commencing on 1 July 2024 and ending on 30 June 2027.
<b>Vesting Date</b>	30 September 2027. The Board has discretion to delay the Vesting Date, for example to allow time for it to determine the appropriate outcome if there is an investigation underway by the Group or an external third party.
<b>Determining the number of Rights to be granted</b>	Target Opportunity: 1,320,680 Rights, comprising 1,029,554 Performance Rights and 291,126 Service Rights, with a Target Value of US\$3,200,000 (A\$4,797,760). Fair values obtained at the Performance Measurement Period commencement date were used to determine the number of Rights to be granted. The fair values were prepared by an independent valuations specialist.

Type of Rights	Independently assessed fair value
Total Shareholder Return (TSR)	A\$5.03
Earnings per Share (EPS)	A\$3.41
Return on Capital Employed (ROCE)	A\$2.73
Service only	A\$4.12

The Target Opportunity = Performance Rights + Service Rights

where:

- Performance Rights = TSR Rights + EPS Rights + ROCE Rights;



- $\text{TSR Rights} = (25\% \times \text{Target Value}) / \text{TSR Rights fair value};$
- $\text{EPS Rights} = (25\% \times \text{Target Value}) / \text{EPS Rights fair value};$
- $\text{ROCE Rights} = (25\% \times \text{Target Value}) / \text{ROCE Rights fair value};$  and
- $\text{Service Rights} = (25\% \times \text{Target Value}) / \text{Service Rights fair value}.$

The Maximum Opportunity is 2,350,234 Rights (US\$5,600,000) representing the Service Rights target opportunity plus two times the Performance Rights target opportunity.

#### **Vesting Conditions and Assessment**

Subject to the cessation of employment provisions outlined below, Rights will only be eligible to vest if Mr. Sharp remains continuously employed by the Group until the Vesting Date.

Performance Rights are also subject to the performance conditions set out below. The Board considers these vesting conditions to be an appropriate combination of stretch financial hurdles directly linked to the Group's performance and reflecting shareholder interests.

The performance conditions for the FY2025 LTI offer 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.

Unless the Board determines otherwise, share prices used to calculate the TSR of a company will be measured as:

- The opening share price will be the volume weighted average price on the ASX for the 30 trading days commencing on 1 July 2024; and
- The closing share price will be the volume weighted average price on the ASX for the 30 trading days ending on 30 June 2027.

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. This schedule was approved by the Board in 2021 as part of the move to the current framework. The 40<sup>th</sup> percentile minimum ranking for TSR Rights to vest is at or above peer companies in the USA who use this measure. It is lower than is typical for ASX listed companies. However, the upper level of 80<sup>th</sup> percentile for achievement of the Maximum Amount is higher than is typical for ASX listed companies meaning the range from the minimum ranking to attaining the Maximum Amount is broader than is typical for ASX listed companies.



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> percentiles
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> percentiles
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%



### ROCE Rights

The ROCE performance measure is defined as Adjusted EBIT / Capital Employed where:

- Adjusted EBIT = Reported earnings before interest and tax (audited) adjusted for approved exceptional items. (For example: large gains/losses on sales of assets, restructuring costs, costs incurred to realise synergies, and one-time costs related to mergers and acquisitions); and
- Capital Employed = Net Intangible Assets (including Goodwill) plus Fixed Assets (including Right of Use Assets) plus defined Net Working Capital.

Adjusted EBIT and Capital Employed will both be averaged across each measurement period.

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

ROCE for the Performance Measurement Period	% ROCE Rights eligible to vest
Below 12.5%	Nil
12.5% and less than 13.5%	Pro rata straight line vesting between 12.5% and Target
13.5% (Target)	100% (Target Amount)
Above 13.5% 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. Calculation of the performance conditions and achievement against the performance conditions will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (including any adjustments for unusual or non-recurring items that the Board considers appropriate).

Any Rights that do not vest following testing will lapse.

### **Clawback**

Defined criteria are in place to prevent inappropriate benefits being paid. The Board has the discretion to lapse unvested Rights, and claw back vested shares or cash, in certain circumstances (such as fraud, dishonesty or breaching duties or obligations to the Group).

### Other key terms of the LTI offer

#### *Cessation of employment*

Unless the Board determines otherwise:

- All Rights granted will lapse if Mr. Sharp's employment is terminated for cause or he resigns (or gives 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 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 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 Rights should be treated for the purpose of vesting.

### *Restrictions on dealing*

Mr. Sharp must not sell, transfer, encumber, hedge or otherwise deal with the Rights.

Mr. Sharp will be free to deal with the shares allocated on vesting of the Rights, subject to the requirements of the Company's Securities Dealing Policy. Mr. Sharp also needs to comply with the requirements of the Company's Minimum Shareholding 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. Mr. Sharp is the Managing Director and falls within Listing Rule 10.14.1. 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 Rights.
- Mr. Sharp has previously been granted 3,378,441 rights of which 2,390,641 rights remained eligible to vest at 30 June 2024, subject to satisfaction of vesting conditions. Testing of performance conditions for the FY2022 LTI grant (315,990 Rights) will result in 70,997 Rights being retained and 244,993 Rights being forfeited (30 September 2024 vesting date). All rights were granted for nil consideration as they form part of Mr. Sharp's remuneration arrangements. Shareholder approval was obtained for all grants. Details of the grants 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 arrangements. The options vested on 30 June 2022 and are exercisable until 30 June 2031. Details are contained in the Remuneration Report.
- Mr. Sharp is the only Director entitled to participate in, and receive Rights under, the LTI offer.
- No loan will be made by the Company in relation to the acquisition of Rights or allocation to Mr. Sharp of any shares on vesting of those Rights.
- Details of any securities issued under the employee incentive 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 the employee incentive 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 General Meeting pursuant to an express authorisation to exercise the proxy as the Chair of the General 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 – Renewal of proportional takeover approval provisions**

Rule 6 of the Company's Constitution contains provisions dealing with proportional takeover bids for shares in the Company. These provisions permit the Company to refuse to register a transfer of securities under a proportional (or partial) takeover offer, unless a resolution is first passed by shareholders approving the offer. The provisions are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under the Corporations Act and clause 6.4 of the Company's Constitution, these provisions must be renewed every 3 years or they will cease to have effect. The current provisions will automatically cease to have effect after 28 October 2024 unless renewed by the proposed special resolution. These provisions must be renewed at this General Meeting in order to apply to proportional takeover bids made after 28 October 2024. If approved by shareholders, the proportional takeover provisions will be in exactly the same terms and will have effect for a further 3 years.

A copy of the Company's Constitution is available at [www.rwc.com/investors/corporate-governance](http://www.rwc.com/investors/corporate-governance).

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

#### Effect of the proportional takeover provisions

A proportional takeover bid is one where an offer is made to each shareholder for a proportion of that shareholder's shares.

The current provisions in the Company's Constitution state that, in the event of a proportional takeover bid being made, the Directors must hold a meeting of the shareholders entitled to vote for the purpose of considering and, if thought fit, passing a resolution to approve the proportional takeover bid. A resolution approving the bid must be voted on by the 14th day before the last day of the bid period, during which the offers under the proportional takeover bid remain open, or a later day allowed by the Australian Securities and Investments Commission. The resolution will be passed if more than 50% of votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution.

The Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. If no resolution is voted on by the deadline, the bid is taken to have been approved.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The proportional takeover provisions do not apply to full takeover bids.



#### Reasons for proposing the resolution

If the proportional takeover approval provisions are not in the Constitution, a proportional takeover bid may enable control of the Company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares.

The proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

#### No knowledge of any acquisition proposals

As at the date of this Notice of General Meeting, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### Review of Proportional Takeover Provisions

While proportional takeover provisions have been in effect under the Company's Constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which to assess the advantages or disadvantages of the existing proportional takeover provisions (that is, rule 6 of the existing Constitution) for the Directors and shareholders of the Company. The Directors are not aware of any potential takeover bid that was discouraged by rule 6.

#### Potential advantages and disadvantages

The Directors of the Company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for shareholders of the Company are:

- shareholders have the right to decide by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist shareholders to avoid being locked in as a minority;
- the bargaining power of shareholders is increased and this may assist in ensuring that any proportional bid is adequately priced; and
- knowing the view of the majority of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some potential disadvantages for shareholders of the Company are:

- the provisions are a hurdle to, and may discourage the making of proportional takeover bids in respect of the Company;
- shareholders may lose an opportunity of selling some of their shares at a premium; and
- the chance of a proportional takeover bid being successful may be reduced.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

Each Director recommends that shareholders vote in favour of Item 5.