

## ASX Announcement

21 August 2023

### Variation to Employment Agreement with CEO

Reliance Worldwide Corporation Limited (ASX: RWC) advises the following variation to the employment agreement with Mr. Heath Sharp, Chief Executive Officer. The variation relates only to Long Term Incentive equity grants ("LTI"). All other terms of the employment agreement remain unchanged.

As noted in RWC's 2022 remuneration report, the Nomination and Remuneration Committee advised that it had observed that, since signing a new employment agreement with Mr. Sharp in August 2021, the remuneration market for CEOs in the USA, which is the primary country the Company benchmarks itself against, had moved significantly, particularly for LTI awards. The NRC stated that it intended to review Mr. Sharp's remuneration arrangements during FY2023 focusing on, but not limited to, his LTI opportunity. Resulting from that review, several changes to RWC's LTI framework will apply from FY2024. For Mr. Sharp, these changes include:

- Introduction of an additional performance measure, Return on Capital Employed ("ROCE") for equity grants made from FY2024;
- A service period only component will be introduced. 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 Target Value will now be allocated as 75% Performance Rights and 25% service period only Rights; and
- A material increase in the target and maximum opportunities of the annual LTI grant. The total target and maximum opportunities will increase reflecting the outcome of a benchmarking analysis and framework review undertaken during FY2023. The Target Value for the FY2024 grant will now be US\$3,200,000 (290% x FY2024 fixed remuneration), up from US\$1,683,000 (153% x FY2024 fixed remuneration). The Maximum Value will be US\$5,600,000 (up from US\$3,366,000). The increase reflects a desire to continue offering market competitive remuneration packages.

Under the employment agreement, Mr. Sharp's fixed remuneration has reduced by approximately 20% over three years from FY2021 to FY2024 and, whilst total direct compensation ("TDC") 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, Mr. Sharp's TDC remains lower than the current median of his USA peers.

Equity grants to be awarded to Mr. Sharp are subject to shareholder approval.

Additional information is presented in the Remuneration Report contained in the 2023 Annual Report released today.



For enquiries, please contact:

Phil King  
Group Investor Relations Director  
+61 499 986 189  
[phil.king@rwc.com](mailto:phil.king@rwc.com)

This announcement has been authorised for release by the Disclosure Committee.

