



Dear shareholder,

#### ANNUAL GENERAL MEETING

On behalf of the Board, I invite you to join the 2021 Annual General Meeting ("AGM") of Reece Limited ("Company").

The AGM will be held online at [web.lumiagm.com/333389788](http://web.lumiagm.com/333389788) on Thursday 28 October 2021 at 2.00pm (AEDT).

Please find enclosed a Notice of Meeting, Explanatory Notes and Proxy Form for your information.

I will comment briefly on the Company's performance for the financial year ended 30 June 2021. The items of business set out in the Notice of Meeting will then be transacted.

If you attend the meeting, you will have an opportunity during the event to ask questions virtually using the online platform by submitting questions to the Board, the Group CEO and Reece's auditors. If you would like to ask a question prior to the meeting, please submit these to Siobhan Weaver, Investor Relations [siobhan.weaver@reece.com.au](mailto:siobhan.weaver@reece.com.au) by 22 October 2021.

Yours sincerely

A handwritten signature in black ink, appearing to read "Alan Wilson".

Alan Wilson  
Executive Chair  
27 September 2021

## PARTICIPATING IN A VIRTUAL AGM

The Annual General Meeting (AGM) for Reece Limited will be a virtual meeting this year held in accordance with section 249R of the Corporations Act 2001 (Cth) ("the Corporations Act") as amended by the Treasury Laws Amendment (2021 Measures No 1) Act 2021 (Cth) ("Amendment Act"), and sections 253Q and 253QA of the Corporations Act (as inserted into the Corporations Act via the Amendment Act).

### How to attend, register and participate in the AGM

Your participation in the AGM is important to us and shareholders can participate virtually in real-time, including asking questions and voting during the AGM.

**Important information:** To participate online, shareholders should register at [web.lumiagm.com/333389788](http://web.lumiagm.com/333389788) at least 15 minutes before the meeting commences. You will need your security holder number and postcode to register, attend, participate and vote online.

Further information regarding attending the 2021 AGM is available at [www.group.reece.com/au/investor](http://www.group.reece.com/au/investor)

### How to submit your vote in advance of the meetings

Shareholders may also appoint a proxy to vote on their behalf through the online voting website [www.investorvote.com.au](http://www.investorvote.com.au)

**Proxy votes must be received by 2.00pm (AEDT) Tuesday 26 October 2021.**

Instructions on how to appoint a proxy are available at [www.investorvote.com.au](http://www.investorvote.com.au) and under "Notes relating to proxies" on page 8 of this Notice.

If it becomes necessary to give further updates about the AGM, information will be lodged with the ASX and posted on our website at [www.group.reece.com/au/investor](http://www.group.reece.com/au/investor)

## NOTICE OF MEETING

The sixty-eighth AGM of the Company will be held virtually via an online platform provided by Reece's share registrar, Computershare.

**Date:** Thursday 28 October 2021

**Time:** 2.00pm (AEDT)

**Venue:** Online [web.lumiagm.com/333389788](https://web.lumiagm.com/333389788)

### Items of Business

- Chair's introduction and address
- Presentation from Reece's Group Chief Executive Officer and Managing Director
- Ordinary Business
- Shareholder questions

### Ordinary Business

1. To consider the financial statements for the Company and its controlled entities, together with the statements and reports of the Directors and auditors thereon for the year ended 30 June 2021.

2. Resolution 1: Adopt the Remuneration Report

The following non-binding ordinary resolution will be put to the meeting –

“That the Remuneration Report for the financial year ended 30 June 2021 be adopted.”

A voting exclusion statement for Resolution 1 is set out below.

3. Resolution 2: Re-election of Director

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

“That Andrew Wilson, who retires by rotation in accordance with clause 113 of the Company's Constitution and ASX Listing Rule 14.4, and who is recommended for re-appointment by the Board, be re-elected as a Director of the Company.”

4. Resolution 3: Approval of the Company's 2021 Long-Term Incentive Plan

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

“That pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13) and sections 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), the Company's 2021 Long-Term Incentive Plan (2021 LTI Plan), and the grant of, transfer and issue of all securities under that Plan on the terms and conditions set out in the Explanatory Notes, are approved.”

A voting exclusion statement for Resolution 3 is set out below.

5. Resolution 4: Grant of Performance Rights to Managing Director and Group Chief Executive Officer under the 2021 LTI Plan.

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 129,838 Performance Rights to the Managing Director and Group Chief Executive Officer, Peter Wilson, under the 2021 LTI Plan in accordance with the rules of that Plan and on the terms summarised in the Explanatory Notes”.

A voting exclusion statement for Resolution 4 is set out below.

## VOTING EXCLUSION STATEMENT

### Definitions

For the purposes of this voting exclusion statement:

- a) "Associate" has the same meaning set out in Chapter 19 of the ASX Listing Rules;
- b) "Eligible Employee" means full-time employees, part-time employee, executive Directors and contractors of the Company, but excludes all non-executive Directors of the Company;
- c) "Excluded Persons" means the Key Management Personnel and their Closely Related Parties;
- d) "Key Management Personnel" are the Directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Company's Remuneration Report; and
- e) "Closely Related Party" of a Key Management Personnel means:
  - a spouse or child of a Key Management Personnel;
  - 
  - a dependent of a Key Management Personnel or of the spouse of a Key Management Personnel; or
  - a company a Key Management Personnel controls.

### Voting Exclusion Statement - Resolution 1

In accordance with sections 250R(4) and 250BD of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of Excluded Persons.

However, the Company will not disregard a vote made by an Excluded Person as proxy if the vote is not cast on behalf of an Excluded Person, and either:

- a) the Excluded Person is appointed as proxy or attorney in writing that specifies the way the proxy or attorney is to vote on Resolution 1; or
- b) the Excluded Person is the Chair who has been appointed as proxy for a person entitled to vote and the appointment of the Chair:
  - does not specify the way the proxy is to vote on Resolution 1; and
  - expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

### Voting Exclusion Statement - Resolution 3 and Resolution 4

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 3 or Resolution 4 by or on behalf of Excluded Persons.

However, the Company will not disregard a vote made by an Excluded Person as proxy if the vote is not cast on behalf of an Excluded Person, and either:

- a) the Excluded Person is appointed as proxy or attorney in writing that specifies the way the proxy or attorney is to vote on that resolution; or
- b) the Excluded Person is the Chair who has been appointed as proxy for a person entitled to vote and the appointment of the Chair:
  - does not specify the way the proxy is to vote on that resolution; and
  - expressly authorises the Chair to exercise the proxy even though that resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

Further, pursuant to ASX Listing Rule 14.11, the Company will disregard any vote cast in favour of:

- a) Resolution 3 by or on behalf of an Eligible Employee, or their Associate (and who is not an Excluded Person); and
- b) Resolution 4 by or on behalf of a Director who is eligible to participate in the 2021 LTI Plan, or their Associate (and who is not an Excluded Person).

However, the Company will not disregard a vote in favour of Resolution 3 or Resolution 4 (as applicable) if it is cast by such a person:

- a) as a proxy for a person entitled to vote on that resolution, in accordance with the directions given to the proxy to vote on the resolution in that way; or
- b) as the person chairing the meeting as proxy for a person who is entitled to vote on that resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- c) as 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.

#### **Undirected Proxies:**

The Chair has advised that he intends to vote undirected proxies in favour of each resolution (where he has been appropriately authorised and having regard to the voting exclusions above). If:

- you are entitled to vote on any of the resolutions above and wish to appoint the Chair of the meeting to vote as your proxy for one or more of those items of business; but
- you do not wish to authorise the Chair to vote as he sees fit on one or more of those resolutions,

it is important that you specify your voting directions on the Proxy Form.

## Poll

Voting on all resolutions will be determined by a poll at the AGM rather than a show of hands. Shareholders and proxy holders attending the virtual AGM will be provided with functionality within the platform to cast their vote. Shareholders not attending the AGM may use the enclosed proxy forms.

## Notes

The Company has determined that, for the purposes of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register at **7.00pm (AEDT) on Tuesday 26 October 2021**.

Shareholders who intend on appointing the Chair of the meeting or another member of the Company's Key Management Personnel (KMP) as their proxy should carefully read the accompanying notes relating to proxies, which among other matters, details the treatment of undirected proxies.

By Order of the Board  
**Chantelle Duffy**  
Company Secretary  
27 September 2021

## Notes relating to proxies

1. The Company has determined that, for the purposes of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register at **7.00pm (AEDT) on Tuesday 26 October 2021**.
2. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be shareholders of the Company) to attend and vote in the shareholder's place. Where a shareholder appoints more than one representative, proxy or attorney, those appointees are entitled to vote on a poll.
3. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. A single proxy exercises all the shareholder's votes.
4. Proxy forms may be sent by mail or by fax to the Share Registry's office as follows:

**By mail:** Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria, 3001, Australia

**By fax:** 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)

5. Proxy forms may also be **lodged online** by visiting [www.investorvote.com.au](http://www.investorvote.com.au)
6. **Custodians may lodge** their proxy forms online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com)
7. For all enquiries call: 1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

**TO BE EFFECTIVE PROXY FORMS MUST BE RECEIVED BY 2.00PM (AEDT) ON TUESDAY 26 OCTOBER 2021.**

For shareholders who have not elected to receive a hard copy of the Company's 2021 Annual Report, a copy can be viewed or downloaded from the Company's website at the following address:  
<https://group.reece.com/au/investor-centre>



## EXPLANATORY NOTES

### Ordinary Business

#### Resolution 1: Adoption of Remuneration Report

In accordance with the requirements of the *Corporations Act 2001 (Cth)* (the "Corporations Act") the Board submits its Remuneration Report for the year ended 30 June 2021 to shareholders for consideration and adoption.

The Remuneration Report is included in the Directors' Report contained in the 2021 Annual Report.

As provided for in the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company. The Board will, however, take the outcome of the vote into consideration when reviewing remuneration practices and policies.

A reasonable opportunity will be provided to ask questions about, or to make comments on, the Remuneration Report at the meeting.

***The Directors recommend that shareholders vote in favour of the resolution for the adoption of the Company's 2021 Remuneration Report.***

#### Resolution 2: Re-Election of Director

In accordance with ASX Listing Rule 14.4 and clause 114 of the Company's Constitution, no Director may hold office (without re-election) past the longer of three years and the third Annual General Meeting following their appointment (other than the Managing Director).

Shareholder approval is sought for the re-election of Andrew Wilson who retires in accordance with clause 114 of the Company's Constitution and, being eligible, offers himself for re-election as a Director of the Company.

#### Resolution 2 – Re-Election of Andrew Wilson

Name: Andrew Wilson

Position: Non-Executive Director

Experience: Appointed to the Board on 1 September 2018. Mr Andrew Wilson has more than 20 years' experience in investment management and finance with leading national and multi-national companies in Australia and internationally. He has worked in audit and risk management, tax and treasury. Andrew is a Graduate of the Australian Institute of Company Directors (GAICD), a Chartered Management Accountant (ACMA/CGMA) and holds a Bachelor of Business in Accountancy from RMIT.

***The Directors (excluding Andrew Wilson) recommend that shareholders vote in favour of this resolution.***

#### Resolution 3: Approval of the Company's 2021 Long Term Incentive Plan

Resolution 3 seeks Shareholder approval for the 2021 Long Term Incentive Plan ("2021 LTI Plan") for the purposes of ASX Listing Rule 7.2, Exception 13 and the Corporations Act.

Under the 2021 LTI Plan, the Board may offer Eligible Persons (which excludes the Chair and non-executive Directors) the opportunity to be granted Rights and issued Shares (or a cash alternative) in satisfaction of those Rights. The terms of the 2021 LTI Plan are summarised (including relevant definitions) in Schedule 1.

Executive remuneration at the Company is determined by the Remuneration Committee and approved by the Board, taking consideration of relevant market practices and the circumstances of the Company, on an annual basis. It is the view of the Board that it is in the interests of shareholders for selected executives, executive Directors and other employees (the Participants) to receive part of their remuneration in the form of equity.

The 2021 LTI Plan represents a modernisation of the available equity instruments and terms, aligned with current regulations and market best-practices. Equity interests are designed to form a significant component of variable remuneration for executives by facilitating long term variable remuneration (LTVR). It is the view of the Board that the holding of such equity creates alignment between shareholder interests and the interests of the Participants.

The purpose of the 2021 LTI Plan is to ensure that the Company has appropriate mechanisms to continue to attract, motivate and retain the services of selected executives, executive Directors and other employees who are of a high calibre and to improve the longer-term performance of the Company. The 2021 LTI Plan is designed to align the remuneration of the participants in the 2021 LTI Plan with the long-term interests of shareholders. The alignment of interests is important in ensuring that participants in the 2021 LTI Plan are focused on achieving particular milestones, as determined by the Board.

The Board seeks to ensure that the grants to the participants under the 2021 LTI Plan are made at a level that will appropriately position remuneration outcomes when compared to the market, in accordance with Reece's remuneration policies, and appropriate to the circumstances of the Company at the time. The Remuneration Committee and the Board receives independent expert advice from time to time to support this objective.

The Board notes that Shares allocated to a Participant when Rights are exercised under the 2021 LTI Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the 2021 LTI Plan. Where new shares are issued, it is the Board's intention to conduct share buy-backs to ensure there is no dilution to shareholders.

#### **ASX Listing Rules 7.1 and 7.2**

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period without shareholder approval. Listing Rule 7.2, Exception 13, operates as an exception to Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to grant Rights and issue the associated underlying Shares to participants under the 2021 LTI Plan in accordance with Exception 13 of ASX Listing Rule 7.2, that is, without using up any of the Company's 15% limit under Listing Rule 7.1 on issuing equity securities without shareholder approval.

Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years. The Directors believe this will provide the Company with the flexibility necessary to issue incentives to Eligible Persons without being concerned that such issues will impact on its ability raise additional capital as and when appropriate.

If Resolution 3 is not passed, the Company can still grant Rights and issue associated Shares under the 2021 LTI Plan, but this will reduce, to that extent, the Company's 15% limit on issuing equity securities without shareholder approval under Listing Rule 7.1.

In accordance with the requirements of ASX Listing Rule 7.2, Exception 13(b), the following information is provided:

- a) a summary of the terms of the 2021 LTI Plan is set out in the table in Schedule 1;
- b) as at the date of this Notice of Meeting, no equity securities have been issued under the 2021 LTI Plan;

- c) the maximum number of equity securities that may be issued under the 2021 LTI Plan following approval under this resolution is 32,299,209 (being 5% of the Company's issued Shares as at the date of this Notice of Meeting); and
- d) a voting exclusion statement in respect of this resolution has been included in the Notice.

## **Corporations Act**

### *Approval for the purposes of the Corporations Act – Financial Assistance*

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
  - (i) the interests of the company or its shareholders; or
  - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

Section 260C of the Corporations Act provides for certain specific instances of exempted financial assistance, including a special exemption for employee share schemes that have been approved by a resolution passed at a general meeting of the company (section 260C(4)).

It is possible that administration of the 2021 LTI Plan on behalf of participants under the 2021 LTI Plan could be determined to be the provision of financial assistance by the Company for the purposes of section 260A.

Whilst the Board do not believe that the provision of this financial assistance will materially prejudice the interests of the Company or its shareholders or the Company's ability to pay its creditors, the Board has recommended that the shareholders approve the 2021 LTI Plan to ensure that the 2021 LTI Plan qualifies for the special exemption under section 260C(4) of the Corporations Act.

### *Approval for the purposes of the Corporations Act – Taking security*

Section 259B of the Corporations Act provides that a company may not take security over its own shares.

Section 259B(2) of the Corporations Act includes a special exemption to the basic rule that a company may not take security over its own shares for employee share schemes that have been approved by a resolution passed at a general meeting of the company.

It is possible that administration of the 2021 LTI Plan on behalf of participants under the 2021 LTI Plan could be determined to be the Company taking security over its own shares for the purposes of section 260A.

Accordingly, the Board has recommended that the shareholders approve the 2021 LTI Plan to ensure that the 2021 LTI Plan qualifies for the special exemption under section 259B(2) of the Corporations Act.

If Resolution 3 is not passed, the Company can still grant Rights and issue associated Shares under the 2021 LTI Plan, but the Board will have to consider the application of the financial assistance and taking of security over own shares rules each time it looks to make a grant under the 2021 LTI Plan, which will add to the administrative burden and cost associated with the 2021 LTI Plan.

Given their potential interest in Resolution 3, the executive Directors make no recommendation to shareholders with respect to this resolution.

The Chair will vote undirected proxies FOR this Resolution 3.

***The non-executive Directors unanimously recommend that shareholders vote FOR Resolution 3.***

## Resolution 4: Grant of Performance Rights to Managing Director and Group Chief Executive Officer under the 2021 LTI Plan

ASX Listing Rule 10.14 requires the Company to obtain approval from its shareholders for the issue of securities to a director under an employee incentive scheme. The Company is seeking shareholder approval for the proposed grant of 129,838 Performance Rights to Mr Peter Wilson, Managing Director and CEO, under the 2021 LTI Plan, as set out below ("CEO Performance Rights").

The Board considers it highly desirable for shareholders that Mr Peter Wilson as Managing Director and Group Chief Executive Officer is directly aligned to shareholders through the grant of Rights under the 2021 LTI Plan. The Board believes that part of the rewards for Mr Peter Wilson's services to the Company should be performance based, at risk, and should involve equity interests in the Company.

### Terms

The terms of the CEO Performance Rights are as follows:

<b>Instrument</b>	Performance Rights which vest when performance conditions have been satisfied. These instruments were chosen because they allow Reece to offer employees equity as part of remuneration that is aligned with current market best-practices, tax and regulatory requirements in a range of circumstances
<b>Number of Performance Rights</b>	<p>It is proposed that Mr Peter Wilson will be invited to apply for 129,838 Performance Rights, with the number calculated as follows:</p> $\frac{\text{Total Fixed Remuneration} \times \text{Stretch LTVR\%}}{\text{Right Value}}$ <p><i>Where the value of the right is equal to the Face value of the Reece Share Price calculated by a 20 day VWAP from 24 August 2021 to 21 September 2021 (\$20.5064).</i></p> <p>When added to the other remuneration elements the FY22 grant of Rights will produce a total remuneration package that is market competitive and appropriate given the Company's circumstances, based on market benchmarking and the Company's current executive remuneration policy.</p>
<b>Term</b>	Each Performance Right has a Term of 15 years from the Grant Date and if not exercised by the Participant within that Term the Rights will lapse.
<b>Measurement Period</b>	<p>The Measurement Period is the period over which Vesting Conditions are assessed.</p> <p>For all Tranches proposed, the Measurement Period will be from 1 July 2021 to 30 June 2025.</p>
<b>Price</b>	<p>No amount is payable by Mr Peter Wilson for the Performance Rights as their value forms a significant portion of the variable remuneration in his total package for FY22.</p> <p>No Exercise Price applies to the Performance Rights.</p>
<b>Vesting Conditions</b>	The Performance Rights will vest based on earnings per share (EPS) compound annual growth rate (CAGR) over a four year Measurement Period from 1 July 2021 to 30 June 2025.

	Vesting will be determined according to the following scale:		
	<b>Performance level</b>	<b>Reece Ltd EPS CAGR over measurement period</b>	<b>Vesting % of grant</b>
	Stretch	≥ 10%	100%
	Between threshold and stretch	> 5% & < 10%	Pro-rata
	Threshold	5%	50%
	Below threshold	< 5%	0%
<b>2021 LTI Plan Conditions</b>	The Performance Rights will otherwise be issued in accordance with the terms and conditions of the 2021 LTI Plan as summarised in Schedule 1.		

### ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The allocation of Performance Rights to Mr Peter Wilson is an acquisition of securities by a Director under the 2021 LTI Plan, and consequently shareholder approval is required under ASX Listing Rule 10.14.

Pursuant to ASX Listing Rule 10.15, the following further information is provided in relation to Resolution 4:

- a) approval is required by ASX Listing Rule 10.14.1 as the CEO Performance Rights will be issued to a Director;
- b) the CEO Performance Rights will be allocated under the 2021 LTI Plan at no cost to Mr Wilson;
- c) the CEO Performance Rights will be granted within one month of the AGM being held and shareholder approval being obtained;
- d) Mr Wilson's remuneration package is set out in the is set out in the Reece Annual Report for FY21. It comprises of:
  - fixed remuneration of \$2,130,000;
  - a short term variable remuneration that has a stretch of \$3,195,000 (150% of fixed pay); and
  - a long term variable remuneration that has a stretch of \$2,662,500 (125% of fixed pay),

therefore, Mr Wilson's total remuneration package has a maximum of \$7,987,500.

- e) no securities have been previously issued to Mr Wilson under the 2021 LTI Plan;
- f) there is no loan scheme in relation to the CEO Performance Rights as no payment is required;
- g) a summary of the material terms of the 2021 LTI Plan is contained in Schedule 1 to this notice; and
- h) a voting exclusion statement is included in the notice for Resolution 4.

Details of any securities issued under the 2021 LTI Plan will be published in the Company's annual report relating to the period in which they are issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the 2021 LTI Plan after Resolution 4 is approved and who were not named in the notice will not participate until approval is obtained under that rule.

If approval of the issue is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, and the securities will not be counted towards the Company's 15% limit in that rule.

It is the Board's preference to obtain consensus with our shareholders for the approval of the grant of Performance Rights to the Managing Director and Group Chief Executive Officer under the 2021 LTI Plan. However, if Resolution 4 is not approved by shareholders, the Board will instead seek to negotiate alternative long-term incentives to the value of the proposed grant of Performance Rights with Peter Wilson. Any alternative long-term incentives granted would be subject to performance hurdles.

## Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions apply.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As Mr Peter Wilson is a recipient under the 2021 LTI Plan and a Director, financial benefits will be given by the Company when the Performance Rights are granted to Mr Peter Wilson.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment) ("Reasonable Remuneration Exemption").

It is the view of the Directors that the proposed grant of Performance Rights to Mr Peter Wilson (as contemplated in Resolution 4) falls within the Reasonable Remuneration Exemption given the circumstances of the Company and the position held by Mr Peter Wilson.

Accordingly, the Directors have determined not to seek shareholder approval for the purposes of section 208 of the Corporations Act for the grant of the Performance Rights contemplated by this resolution. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 10.14.

The Chair will vote undirected proxies FOR this Resolution 4.

***The Board (other than Mr Peter Wilson) considers the allocation of the CEO Performance Rights under the 2021 LTI Plan to Mr Peter Wilson to be appropriate and recommend shareholders vote in favour of this resolution.***

## SCHEDULE 1: SUMMARY OF 2021 LONG TERM INCENTIVE PLAN

Aspect	Details
Definitions	<p>"Eligible Persons" means a full time or part-time employee (excluding the Chair and non-executive directors), a casual employee of the Group or a contractor to the Group or a person who will prospectively fill one of the foregoing roles. For the avoidance of doubt, associates of Eligible Persons are not eligible to be granted Rights unless otherwise determined by the Board.</p> <p>"Performance Right" means a Right (including a Share Appreciation Right) which is subject to performance related Vesting Conditions. For the avoidance of doubt, a service related Vesting Condition may form part of the terms of a Performance Right.</p> <p>"Invitation" means a communication to an Eligible Person that contains the terms and conditions of the specific invitation to apply for Rights.</p> <p>"LTVR" means long term variable remuneration.</p> <p>"Participant" means Eligible Persons whose applications have been accepted and have been granted Rights will be referred to as Participants in the Plan.</p> <p>"Restricted Shares" means Shares acquired by exercise of vested Rights and which are subject to disposal restrictions.</p> <p>"Right" means an entitlement to the value of a Share less any Exercise Price specified in an Invitation, which may be settled in the form of cash or a Share (including a Restricted Share), as determined by the Board in its discretion, unless a Settlement Restriction is specified in an Invitation. For the avoidance of doubt, a Right is not subject to dividend, voting or return of capital entitlements, nor entitlement to any surplus profit or assets of the entity upon a winding up, except as required by law. A Right issued under these Rules will not be quoted on any exchange.</p> <p>"Shares" means fully paid ordinary shares in the Company.</p> <p>"Specified Disposal Restrictions" means the period specified in an Invitation, if any, commencing when a Restricted Share is acquired by exercise of a Right and ending on the first to occur of; the date specified in the Invitation and the 15th anniversary of the Grant Date.</p>
Instrument	<p>Rights under the 2021 LTI Plan entitle Participants to the value of a Share (less any Exercise Price) which may be satisfied either in cash and/or in Shares (at the Board's discretion), unless otherwise specified in an Invitation.</p>



Generally, it is expected that exercised Rights will be satisfied in the form of Shares or Restricted Shares.

The 2021 LTI Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being:

- Performance Rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting LTVR to executives;
- Service Rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level if and when appropriate, or as part of fixed remuneration; and
- Restricted Rights which are vested at grant but which may have Exercise Restrictions and or Specified Disposal Restrictions that extend to the Shares that result from the exercise of Rights (Restricted Shares), and will generally be used to defer earned remuneration from time to time e.g., to defer Short Term Variable Remuneration (STVR).

When an Exercise Price greater than nil is specified in an Invitation the Rights are Share Appreciation Rights (SARs) that only produce value when the Share Price exceeds the Exercise Price at the time of exercise i.e. equivalent to an option. They may be Performance SARs, Service SARs or Restricted SARs under the foregoing classes of Rights.

Terms and Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the 2021 LTI Plan, including the terms of Invitations.</p> <p>Performance Rights, Service Rights (including when they are Share Appreciation Rights) are subject to Vesting Conditions. In the case of Performance Rights (including Share Appreciation Rights) the Vesting Conditions are intended to be challenging and linked to indicators of sustainable value creation for shareholders.</p> <p>The terms and conditions of the 2021 LTI Plan include those aspects legally required as well as terms addressing exceptional circumstances, such as a de-listing, a major return of capital to shareholders, including the treatment of Rights and Restricted Shares on termination of employment.</p> <p>The 2021 LTI Plan contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the 2021 LTI Plan.</p>
Variation of Terms and Conditions	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the 2021 LTI Plan.
Eligibility	Eligible Persons selected by the Board will be invited to participate in the 2021 LTI Plan.
Term	Each Invitation will specify the Term of Rights, as determined by the Board, and if not exercised within the Term the Rights will lapse. The maximum term allowable is 15 years under the 2021 LTI Plan, which is based on the maximum tax deferral period in Australia.



Number of Rights	The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Eligible Person's fixed remuneration and a 20 day VWAP post annual reporting will be used, relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.
Measurement Period	The Measurement Period is the period over which vesting conditions are assessed and may be determined by the Board as part of each Invitation but will generally be four years for Performance Rights, starting from the beginning of the first financial year in the Measurement Period (including for Performance SARs).
Vesting Conditions	<p>Vesting Conditions are to be determined by the Board as part of each Invitation.</p> <p>Performance Rights will vest based on selected measures of Company performance and service with the Company. They are intended to create alignment with indicators of shareholder value creation over the Measurement Period.</p> <p>Service Rights will vest based on periods of service with the Company only and will generally relate to annual remuneration cycles when granted as part of fixed remuneration.</p> <p>Restricted Rights do not have Vesting Conditions and are fully vested at grant but are subject to disposal restrictions. The disposal restrictions may extend to the Shares (Restricted Shares) that result from exercising Restricted Rights, as appropriate to circumstances. This is likely to be used where the application of vesting conditions is not appropriate e.g., in the case of deferred STVR awards for executives.</p>
Gates	The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that, if not fulfilled, will result in nil vesting of a tranche regardless of performance in relation to the Vesting Conditions.
Cost of Rights and Exercise Price	<p>No amount is payable by Participants for Rights unless otherwise determined by the Board. Rights are intended to form part of the annual remuneration package appropriate to each Participant.</p> <p>No Exercise Price is payable by a Participant to exercise Rights under the Rules. However, as part of the terms of an Invitation the Board may determine that a notional Exercise Price applies, which will be deducted from the value of a Share in determining the Exercised Rights Value i.e. creating a cashless exercise option or Share Appreciation Right/SAR which functions identically to an option, but is less dilutive than traditional options from a shareholder perspective.</p>
Exercise of Vested Rights	<p>Vested Rights may be exercised at any time between the Vesting Date (or the latter lapsing of Exercise Restrictions if applicable) and the end of their Term, by the Participant submitting an Exercise Notice, otherwise they will lapse. The Exercised Rights Value will be determined as follows and will be either be paid in cash, converted into Shares based on the then Share price, or a combination of cash and Shares, as determined by the Board:</p> <p>Exercised Rights Value =</p> <p>Number of Rights Exercised x (Share Price at Exercise – Exercise Price)</p> <p>Generally, it is expected that vested Rights will be settled in Shares. Such Shares will often be Restricted Shares as they will be subject to disposal restrictions if the</p>

	<p>exercise occurs during a period in which trading in Shares is prohibited under the Company's securities trading policy.</p> <p>For Participants outside of Australia, the Invitation may specify an automatic exercise date, to comply with local regulatory and tax conditions.</p>
Exercise Restrictions	<p>An Invitation may specify a period of Exercise Restrictions during which Rights may not be exercised, even if vested.</p> <p>For Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following the Grant Date.</p>
Disposal Restrictions	<p>Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of vested Rights will be subject to disposal restrictions due to:</p> <ul style="list-style-type: none"> <li>a) The Company's securities trading policy, and</li> <li>b) The insider trading provisions of the Corporations Act.</li> </ul> <p>Shares resulting from the exercising of Rights that may not be traded due to the foregoing or because of Specified Disposal Restrictions included in an Invitation will be Restricted Shares while they are so restricted.</p> <p>The Company will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively by any trustee of an Employee Share Trust that may be engaged in connection with the 2021 LTI Plan.</p>
Specified Disposal Restrictions	<p>Invitations may include Specified Disposal Restrictions that apply for a specified period to Restricted Shares that result from the exercising of Rights or Rights. The Board will decide whether to include such conditions and the period for which they will apply.</p> <p>Initially, grants will not be subject to a Specified Disposal Restriction.</p>
Disposal and Exercise Restriction Release at Taxing Point	<p>In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.</p>
Termination of Employment	<p>Generally, if termination of employment occurs within the Measurement Period, Performance Rights (including Performance SARs) will be forfeited in the proportion that the remainder of the Measurement Period bears to a full Measurement Period. Remaining Performance Rights (including Performance SARs) will then continue to be held for testing for vesting at the end of the Measurement Period. Any Performance Rights and Performance SARs that do not vest following the assessment of the Vesting Conditions will be forfeited.</p> <p>Service Rights (including Service SARs) will be dealt with as specified in the relevant Invitation as appropriate to the circumstances of the granting of Service Rights and the applicable Measurement Periods. Generally pro-rata vesting for the period of service completed will apply.</p> <p>Vested Rights held after a Participant's termination of office or employment with the Group will be automatically exercised 90 days after the date on which the Participant ceases to hold any unvested Rights and all Exercise Restrictions have elapsed.</p> <p>It should be noted that the 2021 LTI Plan contains clauses that address fraud, misconduct, inappropriate benefits and clawback which will result in the forfeiture</p>

	of unvested and unexercised rights equivalent to traditional “Bad Leaver” approaches, but which may apply at any time including during employment.
Delisting	<p>In the event the Board determines that the Company will be subject to a de-listing, the Vesting Conditions specified in an Invitation for Performance Rights will cease to apply and:</p> <ul style="list-style-type: none"> <li>• Rights with an Exercise Price greater than nil (SARs) will vest 100% unless otherwise determined by the Board, comparable to the traditional treatment of Options and appropriate to the marginal value of such instruments,</li> <li>• Unvested Performance Rights with a nil exercise price, each tranche will vest in accordance with the following formula:</li> </ul> $\begin{array}{ccccccc} \text{Number of} & & & & & & \text{(Share Price at the Effective Date –} \\ \text{Performance} & & \text{Unvested} & & \text{\% of} & & \text{Share price at Measurement} \\ \text{Rights in} & = & \text{Performance} & \times & \text{Measurement} & \times & \text{Period Commencement)} \\ \text{Tranche to} & & \text{Rights in} & & \text{Period} & & \\ \text{Vest} & & \text{Tranche} & & \text{Elapsed} & & \text{Share price at Measurement} \\ & & & & & & \text{Period Commencement} \end{array}$ <ul style="list-style-type: none"> <li>• Remaining Performance Rights may vest or lapse as determined by the Board,</li> <li>• Service Rights will vest to the extent determined to be appropriate by the Board under the circumstances applicable to each grant of Service Rights, and</li> <li>• Exercise Restrictions and Specified Disposal Restrictions will cease to apply on the date determined by the Board.</li> </ul>
Major Return of Capital or Demerger	In the event that the Board forms the view that a major part of the Company’s assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to shareholders, the Board has discretion to vest, lapse or adjust the terms of Rights such that Participants are neither advantaged nor disadvantaged by the corporate action.
Board Discretion, Preventing Inappropriate Benefits, Malus and Clawback	<p>The Board has sole discretion to determine that some or all Rights held by a Participant that are unvested or vested but subject to Exercise Restrictions, will lapse on a specified date if allowing the Rights to be retained or exercised by the Participant would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include but are not limited to:</p> <ul style="list-style-type: none"> <li>(a) if a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board,</li> <li>(b) if the Board determines that a Participant or Participants took actions that caused harm or are expected to cause harm to the Company’s stakeholders,</li> <li>(c) if the Board forms the view that a Participant or Participants have taken excessive risks or have contributed to or may benefit from unacceptable cultures within the Company,</li> <li>(d) if the Board forms the view that Participants have exposed employees, the broader community or environment to excessive risks, including risks to health and safety,</li> </ul>

	<p>(e) if a Participant becomes an employee of a competitor or provides services to a competitor, either directly or indirectly (as determined by the Board and unless otherwise determined by the Board),</p> <p>(f) if there has been a material misstatement in the Company's financial reports, which once resolved, indicates that a larger number of Rights previously vested than should have, in light of the corrected information, and</p> <p>(g) if there has been a breach of the Code of Conduct or other company policies.</p>
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	<p>The number of Rights held by Participants will be proportionately adjusted to reflect bonus issues so that no advantage or disadvantage arises for the Participant. Right holders will not participate in shareholder rights issues.</p> <p>Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.</p>
Quotation	<p>Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the 2021 LTI Plan in accordance with the ASX Listing Rules.</p>
Issue or Acquisition of Shares	<p>Shares allocated to a Participant when Rights are exercised under the 2021 LTI Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the 2021 LTI Plan.</p>
Cost and Administration	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the 2021 LTI Plan.</p>
Hedging	<p>The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.</p>

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MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AEDT) on Tuesday, 26 October 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1

### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Reece Limited hereby appoint

☐

the Chair of  
the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Reece Limited to be held as a virtual meeting on Thursday, 28 October 2021 at 2:00pm (AEDT) and at any adjournment or postponement of that meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

**Important Note:** If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Resolutions 1, 3 and 4 by marking the appropriate box in step 2.

### Step 2

### Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-elect Andrew Wilson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the Company's 2021 Long-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve the grant of performance rights to the Managing Director and Group Chief Executive Officer under the 2021 Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

REH

2 7 8 8 1 4 A



Computershare



REHRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Reece Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Reece Limited**