

Schedule 1 –

Terms and conditions of the Employee Incentive Options granted under the Reece Limited (Company) Long Term Incentive Plan (LTI Plan)

Please note that these terms are in addition to the terms of the LTI Plan as provided in the Company's 2019 Notice of Annual General Meeting.

Terms and conditions specific to the Employee Incentive Options	
Nature of Employee Incentive Options	<ul style="list-style-type: none"> • The Employee Incentive Options have been granted under the Company's LTI Plan. • A summary of the LTI Plan was set out in the Company's 2019 Notice of General Meeting. The LTI Plan was approved by shareholders at that meeting. • Each Employee Incentive Option granted to the participants is an entitlement to receive one ordinary share in the Company (Share) subject to the terms of the LTI Plan.
Grant fee and Exercise Price	<ul style="list-style-type: none"> • No fee is payable upon the grant of the Employee Incentive Options. • An exercise price of \$13.07 per Employee Incentive Option is payable upon the valid exercise of an Employee Incentive Option.
Vesting Conditions	<ul style="list-style-type: none"> • The Employee Incentive Options will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition relating to the compound annual growth rate ("CAGR") in the Company's earnings per share over the performance period of 1 July 2020 to 30 June 2025 (Performance Period); and ○ subject to the satisfaction of a service condition over the Performance Period.
Exercise Condition	<ul style="list-style-type: none"> • An Employee Incentive Option may be exercised between the 2nd anniversary of the date it vests and the expiry of the Employee Incentive Option.
Equity or cash settlement	<ul style="list-style-type: none"> • These Employee Incentive Options will be equity settled, not cash settled. • Shares to be delivered to participants upon the exercise of vested Employee Incentive Options may be issued by the Company, acquired on or off market and transferred, and/or allocated within an employee share trust.
Expiry Date	<ul style="list-style-type: none"> • The Employee Incentive Options will expire at 5pm on 29 April 2036.