

September 23, 2016

The Manager
Company Announcement Office
Australia Securities Exchange Limited

Reece Limited

118 Burwood Highway
Burwood Victoria 3125

Private Bag 109
Burwood Victoria 3125

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ABN: 49 004 313 133

www.reecegroup.com.au

Dear Sir

Reece Limited

Please find enclosed the Notice of Meeting, Proxy Form and Explanatory Notes for the Reece Limited Annual General Meeting to be held on Thursday, 27th October 2016. These along with the Reece Limited Annual Report have been dispatched to shareholders.

Gavin Street
Company Secretary



Dear Shareholder,

ANNUAL GENERAL MEETING

The 2016 Annual General Meeting of Reece Limited is to be held at the offices of Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Victoria on Thursday 27 October 2016 at 3pm (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 2016. The items of business set out in the Notice of Meeting will then be transacted. Shareholders will have an opportunity to ask questions of the Board and the Company's Auditor.

I invite you to join the Board members for light refreshments at the conclusion of the meeting.

If you plan to attend the meeting in person, please bring your Proxy Form to facilitate your registration.

Yours sincerely

A handwritten signature in black ink, appearing to read "L. Alan Wilson", with a stylized flourish at the end.

L. Alan Wilson

Executive Chairman

NOTICE OF MEETING

The sixty-third Annual General Meeting of the Company will be held at **3pm (AEDT) on Thursday 27 October 2016** at the offices of Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Victoria.

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 2016.

2. To 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 2016 be adopted."

3. To elect Director

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

"That Mr T.M Poole, who was appointed as a director on 28 July 2016 and accordingly holds office only until the conclusion of the 2016 Annual General Meeting and who, in accordance with the Company's Constitution, is eligible and is recommended for re-appointment by the Board, be re-elected as a director of the Company."

4. To elect Director

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

"That Mr B.C. Wilson who was appointed as a director on 9th September 2016 and accordingly holds office only until the conclusion of the 2016 Annual General Meeting and who, in accordance with the Company's Constitution, is eligible and is recommended for re-appointment by the Board, be re-elected as a director of the Company."

Special Business

5. To amend the Company's Constitution, including increasing the total maximum remuneration payable to Directors (other than any Managing Director and any Executive Director in the full time employment of the Company or any of its subsidiaries)

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

That:

- i. the Company's existing Constitution be amended in accordance with the marked-up draft initialled by the Chairman for the purpose of identification, including amending clause 118 to increase the total maximum remuneration payable to Directors (other than any Managing Director and any Executive Director in the full time employment of the Company or any of its subsidiaries) by \$500,000 to \$1,000,000; and
- ii. the Company's Constitution as amended be adopted by the Company and replace the existing Constitution.

Voting Exclusion Statement - Item 2

The Company will disregard any votes cast (in any capacity) on Item 2 by or on behalf of:

- a) Key management personnel of the Company group ("KMP"); and
- b) Closely related parties of the KMP.

The KMP of the Company group are set out in the Remuneration Report. A "closely related party" includes a spouse, dependant and certain other close family members of KMP, as well as any companies controlled by a member of KMP.

However, the Company need not disregard a vote cast on Item 2 by a KMP or a closely related party of a KMP if the vote is not cast on behalf of a person who is a KMP or a closely related party of a KMP and:

- a) it is cast as a proxy appointed in writing for a person who is entitled to vote on Item 2, the proxy is a directed proxy (that is, the proxy specifies how the proxy is to vote on the proposed resolution) and it is voted in accordance with the directions on the form, or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

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 25th October 2016**.

Shareholders who intend on appointing the Chairman of the Meeting or another shareholder of the Company's key management personnel 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
G.W. Street
Company Secretary
23 September 2016

EXPLANATORY NOTES

Ordinary Business

Item 2 - Adoption of Remuneration Report

In accordance with the requirements of the *Corporations Act 2001 (Cth)* (the "Act") the Board submits its Remuneration Report for the financial year ended 30 June 2016 to shareholders for consideration and adoption.

The Remuneration Report is included in the Directors' Report contained in the 2016 Annual Report.

As provided for in the 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 Remuneration Report.

Item 3 - Election of Director

Election of Mr T.M. Poole

Name: Mr Timothy M. Poole

Age: 47

Position: Non-Executive Director

Experience: Appointed to the board in July 2016. Mr. Poole is a chartered accountant and began his career at Price Waterhouse before moving to Hastings Funds Management where he worked from 1995 to 2007 and became Managing Director in 2005. Mr. Poole is currently non-executive Chairman of Aurizon Holdings Limited, McMillan Shakespeare Limited and Lifestyle Communities Limited.

Mr. Poole holds a Bachelor of Commerce from the University of Melbourne and is a member of the Institute of Chartered Accountants.

The directors (excluding Mr T.M. Poole) recommend that shareholders vote in favour of this resolution.

Item 4 - Election of Director

Election of Mr B.C. Wilson

Name: Mr Bruce C. Wilson

Age: 41

Position: Non-Executive Director

Experience: Appointed to the board on the 9th September 2016. Mr. Bruce C. Wilson replaced his father John Wilson who retired from the Board on the 9th September 2016. Mr. Bruce C. Wilson manages Wilson Sheet Metals which is a manufacturer of roof guttering, downpipes, flashing and accessories. Mr. Bruce C. Wilson holds a Bachelor of Commerce from La Trobe University.

The directors (excluding Mr B.C. Wilson) recommend that shareholders vote in favour of this resolution.

Item 5 – Approve amendments to the Company's Constitution, including increasing the total maximum remuneration payable to Directors (other than any Managing Director and any Executive Director in the full time employment of the Company or any of its subsidiaries)

A copy of the proposed amendments to the Company's Constitution and a copy of the Company's Constitution as amended can be obtained from the Company's website: www.reecegroup.com.au/finance or a hard copy is available on request by telephoning (03) 9274 0000.

The Company's Constitution was last reviewed and amended in 2009. Amendments are proposed for the purpose of updating and modernising the Company's Constitution and correcting outdated references. Proposed amendments include (but are not limited to):

- i. reflecting the change to the Company's name from "Reece Australia Limited" to "Reece Limited". The Company changed its name by special resolution on 28 October 2015;
- ii. updating references to superseded legislation, organisations, regulations and rules such as "ASX Settlement and Transfer Corporation Pty Ltd" to "ASX Settlement Pty Ltd" and "ASTC Settlement Rules" to "ASX Settlement Operating Rules";
- iii. amending clause 25 to clarify that a member will cease to be a member in respect of any forfeited shares;
- iv. amending clause 30 to clarify that a member will cease to be a member if all of their shares are forfeited or cancelled;
- v. amending clause 75 to clarify that, for the purposes of determining whether a quorum at a general meeting is present, a person is only counted once irrespective of the number of members they represent, and if a member appoints 2 proxies then only 1 is counted;
- vi. amending clause 118 to increase the total maximum remuneration payable to Directors (other than any Managing Director and any Executive Director in the full employment of the Company or any of its subsidiaries) from \$500,000 to \$1,000,000. An increase of \$500,000. The Directors have recommended that the maximum total remuneration payable to Directors (other than any Managing Director and any Executive Director in the full time employment of the Company or any of its subsidiaries) be increased to \$1,000,000 (one million dollars). The recommendation was made after consideration of a number of factors, including market rates for non-executive directors, inflation since 2009 and the increase in the number of non-executive directors.
- vii. amending clause 147 to permit the payment of dividends where permitted by the Corporations Act. There is no longer a requirement that dividends only be paid out of profits;
- viii. amending clause 168 and 172 to clarify notice requirements and extend the period in which notice will be deemed to have been received.

The Board unanimously recommends that the shareholders vote in favour of Item 5.

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 25th October 2016**.
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 but not on a show of hands.
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 delivered in person, by mail or by fax to the Share Registry's office as follows:

In person: Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford
Victoria, 3067, Australia

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
6. **Custodians may lodge** their proxy forms online by visiting 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 3.00PM (AEDT) ON TUESDAY 25TH OCTOBER 2016.

For shareholders who have not elected to receive a hard copy of the Company's 2016 Annual Report, a copy can be viewed or downloaded from the Company's website at the following address: www.reecegroup.com.au/finance.



REH

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

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

For your vote to be effective it must be received by 3:00pm (AEDT) on Tuesday 25 October 2016

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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

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

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the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman 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 Chairman 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 at the offices of Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria on Thursday 27th October 2016 at 3:00pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2 below.

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.

Ordinary Business

Item 2 To adopt the Remuneration Report

Item 3 Election of Mr T.M. Poole as a director of the Company

Item 4 Election of Mr B.C. Wilson as a director of the Company

Special Business

Item 5 To amend the Company's Constitution

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

REH

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Computershare +