

## Share Trading Policy

### Purpose

The purpose of this policy is to:

- a) describe the provisions of the *Corporations Act 2001* (“**Corporations Act**”) which prohibit insider trading; and
- b) set out the policy of Reece Limited and its related companies (“**Reece**”) regarding when all directors, officers, key management personnel (KMP), all other employees and “in-house” contractors (collectively “**Reece Staff**”) may trade in Reece securities

The company’s insider trading policy imposes share trading restrictions on all employees and additional requirements on directors, officers and KMP.

Insider trading laws apply to trading in all types of financial products, including securities such as shares, debentures, derivatives, interests in a registered managed investment scheme, debentures and any other financial products that are available to be traded on a financial market.

### What is Inside Information?

Inside information means information which is not generally available to the public, but if it were, a reasonable person would expect it to have a material effect on the price or value of a company’s securities.

Examples of inside information include:

- information about the financial performance of Reece;
- information about a proposed acquisition of another company by Reece;
- information about significant management changes by Reece;
- any information likely to affect future or current years’ earnings of Reece

### Insider Trading Prohibition

It is unlawful to buy, sell or otherwise deal in the company’s shares, or assist someone else to do so, if you have inside information. Insider trading is prohibited at all times.

If you have inside information relating to the company you must not:

- buy, sell, or otherwise deal in Reece securities;
- advise, procure or encourage another person to buy or sell or otherwise deal in Reece securities;
- pass on information (whether directly or indirectly) to any other person (including colleagues, family or friends) if you know, or ought reasonably to know, that the person may use that information to do any of the actions referred to above.

It is the responsibility of directors, officers, KMP and all other employees and contractors to ensure that they do not breach the insider trading provisions of the Corporations Act.

**Breach of the Share Trading Policy** Breach of the insider trading prohibitions by you, or third parties, could expose you and/or them to criminal penalties (including imprisonment) or civil liability. It is your personal responsibility to ensure that you comply with the law.

It is also a condition of your employment at Reece that you comply with this policy. Breach of the policy could result in termination of your employment.

**Closed Periods** There are various times during the year (“**Closed Periods**”) where no employee may trade in the company’s securities unless an appropriate exclusion applies.

The closed periods differ depending on the seniority and role of the individual.

In addition to the above restrictions, the following further requirements set out below apply:

- a) Directors, officers and KMP are prohibited at all times from trading in Reece securities except for during the following periods described below:
  - i. for a 30 day period after the full year result announcement;
  - ii. for a 30 day period after the annual general meeting;
  - iii. for a 30 day period after the half year result announcement;
- b) For all other Reece Staff, the closed periods are as follows:
  - i. From the close of business on 31 December to the opening of the ASX the first trading day after the company’s half-year results are released to the ASX; and
  - ii. From the close of business on 30 June to the opening of the ASX the first trading day after the company’s full-year results are released to the ASX;
- c) Prior to any purchase, sale or other dealing in Reece’s shares or other securities:
  - i. directors, officers and KMP should discuss their intentions with, and obtain approval from the Chairman;
  - ii. the Chairman should discuss his intentions with, and obtain approval from the Chairman of the company’s Audit Committee;
  - iii. if for any reason approval is not obtained, the person seeking the clearance must keep the fact of the refusal confidential;
- d) When any such dealing in the company’s shares by a director subsequently takes place, the Company Secretary must be immediately notified in writing and within sufficient time to enable the company to notify the ASX as required within 5 business days.
- e) In the case of the company’s directors, each of them must also comply with the provisions of Part 2D.5 of the Corporations Act, which requires that the ASX be notified of any change in his or her interests in the company’s shares, if the company has not done so. The time limit is presently 14 days.

**Exceptions to Trading During Closed Periods**

The following exceptions to trading during Closed Periods as set out below apply:

- a) Dealings under and invitations made to Reece security holders such as a share purchase plan, a dividend re-investment or a rights issue.
- b) Dealings which results in no change to the beneficial interest in the securities.
- c) The acceptance of a takeover offer.
- d) Written approval:

In exceptional circumstances, the Chairman in consultation with the Chairman of the Audit Committee has the authority to approve trading by directors, officers or KMP outside the prescribed periods with a full disclosure to be made to the market.

In the case of any other employee wishing to trade in Reece securities during a Closed Period, a request in writing must be submitted to the Company Secretary together with a signed declaration by the relevant employee that he or she is not in possession of any inside information. However approval may be granted by the Chairman in situations where the employee is in severe financial hardship or other circumstances deemed by the Chairman to be exceptional.

If for any reason approval is not obtained, the person seeking the clearance must keep the fact of the refusal confidential.

**Hedging, Short Term Trading and Margin Loans**

Reece Staff may not enter into a transaction that is designated or intended to hedge that employee's exposure to a Reece security that is subject to retention arrangements or an uninvested Reece option.

Directors, officers, KMP and their associated parties must not engage in short-term or speculative trading in Reece securities.

Directors, officers, KMP and their associated parties must not grant security interest over any Reece securities they own, including any Margin loan without first receiving the written consent of the Chairman.

**Adopted by the Board**

18 November 2003

**Amended**

February 2016