AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Reece Group 2026 AGM Report

ASX code	**REH**
Meeting date	**Friday, 30 October 2026**
Type of meeting	Virtual
Monitor	Peter Aird
Pre-AGM meeting	N/A

Meeting Statistics

Number of holdings represented by ASA	26
Number of shares represented by ASA	499,256
Value of shares represented by ASA	$8.53m
Total number attending meeting	16 shareholders/proxies, 95 guests
Market capitalisation	$10.2b
ASA open proxies voted	ASA voted in favour of Items 2 - 8 and against Items 9 and 10.

Monitor Shareholding: The individual involved in the preparation of this report has no shareholding in this company.

The virtual-only meeting started with a slick promotional video followed by a Welcome to Country and then an introduction by Chair Peter Wilson. Company Secretary Chantelle Duffy explained the meeting processes which put all discussion and questions until the end of the meeting.

The Chair and CEO's addresses were both positive, noting the current weak US new residential market but also indicating that they are sticking with their strategy with a long-term (decades) view. Peter provided an update on first quarter trading, with sales up 8.7% on a constant currency basis.

It is interesting to note that Reece shares fell over 8.8% on 28 October 2026 before regaining the fall on release of the AGM presentations.

Chair of the Remuneration committee, Ms Chow also made a presentation on the 2030 Remuneration Framework, promoting its "different approach".

All the items were presented with the proxy votes shown with all directors elected with votes above 97%, with Ms Chow, Chair of the Remuneration Committee, having the weakest vote (97.11%). A further Remuneration strike was recorded with a 34% vote against the report, but no spill motion was put as all Directors had been re-elected at the meeting. The advisory resolution on the 2030 Remuneration Framework also suffered a 34% vote against, noting that Wilson family shares were not voted.

Having completed presentation of the resolutions, the Chair asked for questions after running a brief video on the activities of the Reece Foundation.

Questions from shareholders included the use of AI (Answer: embedded in business but early stages), the wisdom of Reece's entry into the US after eight years (successful, still early days), the continued use of KPMG as auditor (comfortable with KPMG, audit partner rotates), and a shareholder gave positive feedback on the performance of the company.

Stephen Mayne suggested that a return to 3-year terms for independent directors may be more appropriate (answer: happy with the current arrangements), the status of Gavin Street as an independent director (he is not a personal friend of the Wilson family and has strong independent views), Alan Wilson's role (an observer at Board meetings and loves to visit Reece showrooms), any issues with restrictive employee agreements (Reece pays above award wages) and which proxy advisers recommended a vote against the Rem report (ISS Australia, CGI Glass Lewis).

ASA asked several questions:

- Commented on Reece again running its AGM in the virtual format (Answer: best for Reece).
- Pleased that Reece has responded to the strike in 2025 and made significant changes to their remuneration structure but given the high fixed remuneration of the CEO compared to a number of similar Australian companies, asked how they set this level and which companies were part of the peers for comparison (noting preference for US structures, will note comments).
- The reason for using options as part of the LTI award (US practices and preferred).
- Disclose the peer group for the TSR-measured gateway required for options to vest (not clearly answered).
- Consider using external consultants to review board dynamics as independent directors seem to have a short tenure (external consultants are used to review remuneration issues. The Board continues to develop and improve and is not considered finished.
- Given the importance of the US market, should you appoint a Director located in the US (one of the companies that Reece purchased has a US-based Board, which provides input to the Reece Group Board).

The meeting closed after about 50 minutes.

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