



## **Notice of Annual General Meeting**

**Date:** 2:00pm Adelaide time (ACST) on 18 May 2023

**Place:** Jerningham Room

**The Lion Hotel**

**161 Melbourne Street**

**North Adelaide SA 5006**



Dear Shareholder

On behalf of the Directors of Duxton Water Limited, it is my pleasure to invite you to attend the Annual General Meeting (AGM) for the Company's 2022 financial period.

The key AGM details are-

- Time and date: 2:00pm Adelaide time on 18 May 2023
- Location: Jerningham Room, The Lion Hotel, 161 Melbourne St, North Adelaide SA 5006

This Notice of Meeting outlines the items for shareholders to consider at the meeting. Further explanatory notes are provided to you. Our AGM is an opportunity for you to share your views directly with the Board and the Investment Manager. You will meet the Directors and other representatives of the company and the Investment Manager and hear about the developments at Duxton Water and our plans for the future.

Please find attached the following documents in relation to the Annual General Meeting:

- a) Notice of Annual General Meeting together with Explanatory Statement.
- b) Proxy Form for the AGM together with instructions.

A copy of the Company's 2022 Annual Report can be found at [www.duxtonwater.com.au](http://www.duxtonwater.com.au).

If you are unable to attend the AGM in person, I encourage you to complete and lodge the enclosed Proxy Form as soon as possible and, in any event, by no later than 2:00pm (Adelaide time) 16 May 2023. Instructions on how to vote by proxy are set out on the Proxy Form and this Notice.

The Board invites attending shareholders to stay following the meeting for some refreshments.

Those shareholders who are unable to attend the Annual General Meeting in person can view a webcast of the meeting, the details of which are on the following page.

On behalf of my fellow Directors, I look forward to welcoming you to the AGM, sharing the Company's achievements and future outlook with you.

Yours sincerely,

Ed Peter  
Chairman of the Board

## Notice of Annual General Meeting

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The Annual General Meeting (**AGM**) of Duxton Water Ltd ("**Company**") will be held at Jerningham Room, The Lion Hotel, 161 Melbourne St, North Adelaide SA 5006 at 2:00pm (Adelaide time) on Thursday 18 May 2023.

The Explanatory Statement that accompanies and forms part of this Notice of AGM describe the matters to be considered at the AGM.

## Attendance

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If you are attending the AGM, please bring your personalised shareholding form to allow the Share Registry to promptly register your attendance at the meeting. The registration desk will be open from 1:30pm.

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the meeting in your place. Please refer to the Notice and proxy form regarding the appointment of a proxy.

The Company will host an online webcast of the AGM, which can be registered for by accessing the following link:

<https://ccmediaframe.com/?id=GF4cVGFN>

Please note the webcast will not have a function to vote, ask questions, or post comments. If you are unable to attend in person and have a specific question or comment you would like addressed by the Board, please submit it in writing at [enquiries@duxtonam.com](mailto:enquiries@duxtonam.com) with the subject line 'Duxton Water AGM Enquiry'.

## Items of Business

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### 1. Financial Report and Reports of the Directors and Auditor

To receive and consider the Financial Report, Directors' Report and Independent Auditor's Report for the financial period ended 31 December 2022.

Shareholders will be given reasonable opportunity to ask questions about or make comments on the management of the Company.

## 2. Remuneration Report

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

*“The Company’s Remuneration Report for the financial period ended 31 December 2022 is adopted.”*

The Remuneration Report is set out in the 2022 Annual Report. Please note that, in accordance with section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company.

### *Voting Exclusion Statement*

The Corporations Act provides that a vote on Resolution 2 must not be cast (in any capacity), and the Company will disregard any votes cast on Resolution 2 by or on behalf of:

- (a) A member of the Key Management Personnel (which includes any Director); and
- (b) A Closely Related Party (such as close family members and any controlled companies) of those persons, the details of whose remuneration are included in the Remuneration Report. The Explanatory Memorandum includes important information in relation to the voting of proxies on this Resolution.

However, a person described above may cast a vote on Resolution 2 if the vote is not cast on behalf of a person described above and either:

- (a) the voter does so as proxy appointed in writing that specifies how the proxy is to vote on the Resolution; or
- (b) the voter is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way in which the Chair is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 3. Re-election of Director – Edouard Peter

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

*“That Edouard Peter, having retired as a Director in accordance with Clause 17.3 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.”*

## 4. Re-election of Director – Dirk Wiedmann

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

*“That Dirk Wiedmann, having retired as a Director in accordance with Clause 17.3 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.”*

5. **Approval of 10% Placement Capacity**

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

*"In accordance with ASX Listing Rule 7.1A, and for all other purposes, the issue of Shares of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, and on the terms and conditions in the Explanatory Statement, is approved."*

6. **Renewal of Proportional Takeover Provisions**

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

*"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing clause 11 for a period of 3 years from the date of approval of this Resolution."*

By order of the Board



Katelyn Adams  
Company Secretary

## Explanatory Statement to Notice of AGM

### Explanatory Statement

#### Item 1: Financial and related reports

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description | Duxton Water's financial report, directors' report and the auditor's report for the financial period ended 31 December 2022 will be laid before the Annual General Meeting. This will be achieved by publishing the reports on the Company's website - <a href="http://www.duxtonwater.com.au">www.duxtonwater.com.au</a> . There is no requirement for shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the operations and management of Duxton Water. Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the auditor's report. |
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#### Item 2: Remuneration report (non-binding resolution)

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| Description          | <p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2022 Annual Report and is available from <a href="http://www.duxtonwater.com.au">www.duxtonwater.com.au</a>.</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> <li>▶ Describes the policies behind and the structure of the remuneration arrangements of the Company and the Investment Manager.</li> <li>▶ Sets out the remuneration arrangements in place for each Director.</li> <li>▶ Explains the differences between the basis for remunerating non-executive directors and the Investment Manager.</li> </ul> <p>The vote on this item is advisory only and will not require the Company to alter the arrangements set out in the Remuneration Report if this resolution is not passed. However, the Board will provide the opportunity for, and will take into account any discussion, on this item and the outcome of the vote when considering future remuneration policies and practices of the Company.</p> |
| Board recommendation | <p>The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report, noting that:</p> <ul style="list-style-type: none"> <li>• Edouard Peter and Stephen Duerden are remunerated by the Investment Manager, which receives fees from the Company as described in the Remuneration Report; and</li> <li>• Dirk Wiedmann, Vivienne Brand, Brendan Rinaldi and Dennis Mutton have a personal interest in their own remuneration from the Company as described in the Remuneration Report.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Voting Exclusion     | A voting exclusion statement applies to this resolution, as set out in the Notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## Explanatory Statement

| Items 3 and 4: Re-election of Directors – Edouard Peter and Dirk Wiedmann |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| Explanation                                                               | <p>Clause 17.3 of the Constitution requires that one-third of the Directors of the Company (rounded up to the nearest whole number) retire at each AGM. A retiring Director is eligible for re-election (unless otherwise precluded).</p> <p>Accordingly, Edouard Peter and Dirk Wiedmann retire, and, being eligible, stand for re-election to the Board for the purposes of Clause 17.3 of the Constitution.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Director's details                                                        | <p><b>Edouard Peter – Chairman and Executive Director</b></p> <p><b>Qualifications:</b> Bachelor of English Literature, Carleton College, Minnesota</p> <p>Edouard Peter, is the co-founder and Chairman of Duxton Asset Management Pte Ltd (“Duxton”). Prior to forming Duxton in 2009, Ed was Head of Deutsche Asset Management Asia Pacific (“DeAM Asia”), Middle East &amp; North Africa. He was also a member of Deutsche Bank’s Group Equity Operating Committee and Asset Management Operating Committee. Ed joined Deutsche Bank in 1999 as Head of Equities and Branch Manager of DB Switzerland. In March 2001, Ed moved to Hong Kong with Deutsche Bank and was appointed Head of Global Equities for Asia and Australia, becoming responsible for all of Global Emerging Market Equities in the beginning of 2003. In November 2004, Ed became Head of Asian and Emerging Market Equities for the new Global Markets Division.</p> <p>Ed holds a Bachelor’s Degree in English Literature from Carleton College in Northfield, Minnesota. Ed’s first foray into agricultural investing was in 1999 and he remains passionately interested in agriculture today.</p> <p><b>Dirk Wiedmann – Independent Non-Executive Director and Deputy Chairman</b></p> <p><b>Qualifications:</b> Diplom Kaufmann from Johann Wolfgang Goethe, University/ Frankfurt, Germany, Advanced Management Program at The Wharton School, University of Pennsylvania</p> <p>Dirk Wiedmann has 30 years of experience in the finance industry. Over his career, Dirk has held senior global positions with several Banks, including UBS AG, Bank Julius Baer &amp; Co Ltd and Rothschild Bank AG. Throughout his time in the industry, Mr Wiedmann has gained a vast range of experience covering international equities and derivatives, business sector market development, executive education and strategic marketing. Dirk has been invested in Australian agriculture business, including wine and dairy operations, since 1999.</p> <p>Until August 2015, Dirk was the Global Head of Investments &amp; Chief Investment Officer at Rothschild Wealth Management and Trust, a</p> |

### Explanatory Statement

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|                               | <p>Member of the Divisional Board and a member of the Executive Committee of Rothschild Bank AG. Within his role as Global Head of Investments and CIO, Dirk was also responsible for all trading and execution activities and strategic marketing in the Bank.</p> <p>Besides his Australian interests, Dirk acts as an independent director for MAN Investment Management Switzerland AG, advises a Family Office and is active in a Swiss Real Estate company.</p> |
| <b>Board's Recommendation</b> | <p>Each of the Directors, other than Edouard Peter and Dirk Wiedmann (in relation only to the resolutions for their re-election respectively) recommend Shareholders vote in favour of the resolutions.</p>                                                                                                                                                                                                                                                           |



## Explanatory Statement

### Item 5: Approval of 10% Placement Capacity

#### Explanation

Duxton Water is seeking Shareholder approval to issue an additional 10% of its issued Shares over a 12 month period pursuant to ASX Listing Rule 7.1A.

Under Listing Rule 7.1A the Company, as an Eligible Entity, may seek the approval of its Shareholders by special resolution passed at an AGM to have this additional capacity (**10% Placement Capacity**) to issue Shares under rule 7.1A. The exact formula for the 10% Placement Capacity is set out in Listing Rule 7.1A.2 and the approval period to which it relates (generally no more than 12 months) is set out in Listing Rule 7.1A.1 and is detailed below.

There are a number of other rules and conditions applicable to the approval and issue of Shares under Listing Rule 7.1A, including:

- a) That any new Shares issued under the 10% Placement Capacity must be in the same class as the existing quoted class of Shares of the Company.
- b) A limitation on the discount to prevailing market price at which they may be issued.

If this resolution is passed, Duxton Water will be able to issue up to the combined 25% limit in Listing Rules 7.1 and 7.1A to issue equity securities without shareholder approval.

If this resolution is not passed, Duxton Water will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

#### **Additional disclosure requirements**

As at the date of the Notice, Duxton Water has 117,712,179 Shares on issue. Therefore, the Company, subject to shareholder approval being obtained under item 5, could issue up to a further 11,771,217 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2

### Explanatory Statement

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| <b>Minimum Issue Price</b>  | <p>The minimum issue price of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of the issue of the Shares in accordance with the formula prescribed.</p> <p>The issue price of Shares issued under Listing Rule 7.1A must not be less than 75% of the VWAP of the Shares calculated over the 15 Trading Days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> <li>i) The date on which the price at which the Shares are to be issued is agreed; or</li> <li>ii) If the Shares are not issued within ten Trading Days of the referred to in (i) above, the date on which the Shares are issued.</li> </ul> |
| <b>10% Placement Period</b> | <p>Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:</p> <ul style="list-style-type: none"> <li>(i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;</li> <li>(ii) the time and date of the entity's next annual general meeting; and</li> <li>(iii) the time and date of the approval by shareholders of a transaction under Listing Rule 11.1.1 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).</li> </ul>                                         |

**Other Information**

(a) Pursuant to Listing Rule 7.3A, the following additional information is provided in relation to the approval of the 10% Placement Facility. There is a risk that:

- the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for the Company's Shares in the same class on the issue date,

which may have an effect on the amount of funds raised by the issue of the Shares.

(b) The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

## Explanatory Statement

| Variable 'A'<br>in formula<br>in Listing<br>Rule 7.1A.2                           |                                | Issue Price                                |                        |                                              |
|-----------------------------------------------------------------------------------|--------------------------------|--------------------------------------------|------------------------|----------------------------------------------|
|                                                                                   |                                | \$0.8925<br>50% decrease<br>in issue price | \$1.785<br>issue price | \$3.57<br>100%<br>increase in<br>issue price |
| <b>Current<br/>Variable 'A'</b><br>117,712,179<br>shares                          | <b>10% voting<br/>dilution</b> | 11,771,217                                 | 11,771,217             | 11,771,217                                   |
|                                                                                   | <b>Funds<br/>raised</b>        | \$10,505,811                               | \$21,011,622           | \$42,023,245                                 |
| <b>50%<br/>increase in<br/>current<br/>Variable 'A'</b><br>176,568,268<br>shares  | <b>10% voting<br/>dilution</b> | 17,656,826                                 | 17,656,826             | 17,656,826                                   |
|                                                                                   | <b>Funds<br/>raised</b>        | \$15,758,717                               | \$31,517,434           | \$63,034,869                                 |
| <b>100%<br/>increase in<br/>current<br/>Variable 'A'</b><br>235,424,358<br>shares | <b>10% voting<br/>dilution</b> | 23,542,435                                 | 23,542,435             | 23,542,435                                   |
|                                                                                   | <b>Funds<br/>raised</b>        | \$21,011,623                               | \$42,023,246           | \$84,046,493                                 |

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Shares available under the 10% Placement Facility.
- Options on issue not included.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Shares under Listing Rule 7.1A and no other issues of Equity Securities.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

## Explanatory Statement

- The issue price is \$1.785, being the closing price of the Shares on ASX on 5/04/2023.

c) The Company may seek to issue the Shares for the following purposes:

- Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new and existing assets or investments (including expense associated with such acquisition) and/or general working capital.

d) The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 upon issue of any Shares.

e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Shares and the number of Shares allotted to each will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which the existing security holders can participate;
- (ii) the effect of the issue of the Shares on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company. As at the date of this Notice the Company is not proposing to make an issue of securities under ASX Listing Rule 7.1A.

f) The Company has previously obtained approval under ASX Listing Rule 7.1A at the Company's AGM held on 30 May 2022, requiring the following disclosure under ASX Listing Rule 7.3A.6:

- i) The Company has issued no equity securities in the 12 months preceding this Meeting under ASX Listing Rule 7.1A.2.

## Explanatory Statement

### Formula for calculating the 10% Placement

The number of Shares which the Company may issue pursuant to this item 5 in accordance with ASX Listing Rule 7.1A.2 may be calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of shares on issue at the commencement of the relevant period:

- i. plus the number of fully paid ordinary shares issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9 or 17;
- ii. plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
  - a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or ASX Listing Rule 7.4
- iii. plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
  - a. the agreement was entered into before the commencement of the relevant period; or
  - b. the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing rule 7.1 or ASX Listing Rule 7.4,
- iv. plus the number of partly paid shares that became fully paid in the relevant period;
- v. less the number of fully paid ordinary shares cancelled in the relevant period;

**D** is 10%

**E** is the number of Shares issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under ASX Listing Rule 7.1 or 7.4.

**“relevant period”** means the 12 month period immediately preceding the date of issue or agreement

## Explanatory Statement

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| <b>Board Recommendation</b>                                | <p>The Directors believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour. In particular, the ability of the Company to issue new Shares under the 10% Placement Capacity will enable the Company to issue Shares in circumstances where it might otherwise be subjected to the cost, delay and uncertainty of having to go back to the Shareholders for approval. The additional flexibility and speed to conduct capital raising will better position the Company to pursue its interests in the prevailing market conditions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Item 6: Renewal of Proportional Takeover Provisions</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                            | <p>Clause 11 of the Constitution of the Company includes proportional takeover approval provisions which enable the Company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by the shareholders in general meeting approving the offer.</p> <p>A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.</p> <p>Under section 648G(1) of the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may be renewed. The provisions contained in the Company's Constitution therefore ceased to apply on 21 April 2019.</p> <p>The Company may renew its proportional takeover approval provisions in the Constitution in the same manner in which the Company may modify its Constitution under section 136(2) of the Corporations Act (i.e. by special resolution of shareholders).</p> <p>The Company is seeking Shareholder approval to renew these provisions in accordance with the Corporations Act. As a consequence, the Corporations Act requires the Company to provide Shareholders with an explanation of the proportional takeover approval provisions as set out below.</p> <p><b>What is a proportional takeover bid?</b></p> <p>A proportional takeover bid is a takeover offer sent to all shareholders but only in respect of a specified portion of each shareholder's shares. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, it will dispose of the specified portion of its shares in the Company and retain the balance of the shares.</p> <p><b>Effect of the provisions to be renewed</b></p> <p>If renewed under clause 11, in the event that a proportional takeover offer is made to Shareholders of the Company, the Board of the Company will be required to convene a meeting of Shareholders to vote on a resolution</p> |

## Explanatory Statement

to approve the proportional takeover. That meeting must be held by the 14th day before the last day of the bid period.

The resolution shall be taken to have been passed if a majority of shares voted at the meeting, excluding the shares of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on by the 14th day before the last day of the bid period, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASTC Operating Rules and the Company's Constitution. If the resolution is rejected, then in accordance with the Corporations Act the offer will be deemed to be withdrawn.

### **Reasons for proposing the resolution**

The Directors consider that Shareholders should have the opportunity to renew clause 11 in the Constitution. Without clause 11, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the Company.

Without clause 11, if there was a proportional takeover bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the offer even if they did not want control of the Company to pass to the bidder. Renewing clause 11 of the Constitution will make this situation less likely by permitting Shareholders to decide whether a proportional takeover bid should be permitted to proceed.

### **Potential advantages and disadvantages for the Directors and Shareholders of the Company**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any



## Explanatory Statement

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|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | <p>proportional takeover bid is adequately priced; and</p> <p>(d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.</p> <p>The potential disadvantages for Shareholders include the following:</p> <p>(a) proportional takeover bids for shares in the Company may be discouraged;</p> <p>(b) Shareholders may lose an opportunity to sell some of their shares as a premium; and</p> <p>(c) the likelihood of a proportional takeover bid succeeding may be reduced.</p> <p>The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions.</p> <p>While similar proportional takeover approval provisions have been in effect in the past, there have been no full or proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the Shareholders, respectively, during the period during which the proportional takeover provisions were in effect. On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that renewal of clause 11 is in the interests of Shareholders.</p> <p><b>Knowledge of any acquisition proposals</b></p> <p>As at the date on which the Notice of Annual General Meeting was prepared, no Director of the Company is aware of any proposal to any person to acquire or to increase the extent of a substantial interest in the Company.</p> |
| <b>Board's Recommendation</b> | Each of the Directors recommend Shareholders vote in favour of the resolution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Voting by Proxy

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1. A Shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the Shareholder is entitled to cast two or more votes at the Meeting, two proxies, to attend and vote instead of the Shareholder.
2. Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the Meeting.
3. A proxy need not be a Shareholder of the Company.
4. A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.

To record a valid vote, a shareholder will need to take the following steps:

- cast the shareholder's vote online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering the shareholder's Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed proxy form; or
  - complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Limited:
    - by post at the following address:  
  
Computershare Investor Services Pty Limited  
GPO Box 242  
MELBOURNE VIC 3001
- OR
- by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
  - for Intermediary Online subscribers only (custodians), cast the shareholder's vote online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com),

so that it is received no later than 2:00pm (Adelaide time) on 16 May 2023.

Please note that when the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 2 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. When appointing the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of each item of business.

## 5. 'Snap Shot' Time

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Directors have determined that all shares of the Company that are quoted on ASX as at 7.00 pm (Adelaide time) on 16 May 2023 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the shares at that time.

## Proxy Voting by the Chair

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The Corporations Act imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on and amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the Shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy and you do not mark any of the boxes as give the Chair directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy.

The Company's Chairman will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

## Glossary

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**\$** means Australian dollars.

**Annual General Meeting (AGM) or Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Auditor** means the Company's external auditor KPMG.

**Auditor's Report** means the report of the Company's external auditor contained in the Company's annual financial report for the period ending 31 December 2022.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of Duxton Water.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse of child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001(Cth)*

**Company** means Duxton Water Ltd ACN 611 976 517.

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Directors' Report** means the Directors' Report contained in the Company's annual financial report for the period ending 31 December 2022.

**Eligible Entity** means an entity that, at the date of the relevant general meeting is not included in the S&P/ASX300 Index; and has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Investment Manager** means Duxton Capital (Australia) Pty Ltd.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.



**Notice or Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option which enables the holder to subscribe for one Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Proportional Takeover Provisions** means the provisions contained within Clause 11 of the Company's Constitution that pertain to proportional takeover offers.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the period ending 31 December 2022.

**Resolutions** means the resolutions set out in the Notice, or any one of them as the contest requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the registered holder of a Share.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average market price.

## 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 (ACST)** Tuesday 16 May 2023.

# 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/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

### 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: 182059**

**SRN/HIN:**

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **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.

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Duxton Water Limited hereby appoint

☐ 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 Duxton Water Limited to be held at Jerningham Room, The Lion Hotel, 161 Melbourne Street, North Adelaide SA 5006 on Thursday, 18/05/2023 at 2:00pm 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 Resolution 2 (except where I/we have indicated a different voting intention in step 2) even though Resolution 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 Resolution 2 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 2 | Remuneration Report                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Director – Edouard Peter     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Re-election of Director – Dirk Wiedmann     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval of 10% Placement Capacity          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Renewal of Proportional Takeover Provisions | <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.

### 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