

15 August 2025

Management Performance Rights – Material Terms

Duxton Water Limited (“**Duxton Water**” or “**the Company**”) refers to the Appendix 3B dated 15 August 2025 and encloses the material terms of the securities proposed to be issued.

The Performance Rights are being issued to Portfolio Managers Lachlan Campbell and Lachlan Beech as a sign-on bonus following the internalisation of the Company’s management. Messrs Campbell and Beech will each receive 100,000 Performance Rights with vesting conditions as described in the enclosed material terms.

About Duxton Water Limited

Duxton Water provides shareholders with direct exposure to Australian water markets. The Company generates a return by leasing its portfolio of permanent water entitlements to Australian farming businesses, with the unleased portfolio being sold into the forward and spot allocation markets each year.

For all enquiries, please contact Duxton Water Limited on +61(8) 8130 9500, or enquiries@duxttonam.com.

This announcement has been authorised for release by the Company Secretary of Duxton Water Limited.

1.	Entitlement	Each Performance Right entitles the holder to subscribe for one Share upon conversion of the Performance Right.						
2.	Consideration	The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.						
3.	Vesting Conditions / Milestones	<div>The Performance Rights shall vest as follows:</div> <table><tr><th>CLASS</th><th>VESTING CONDITION</th></tr><tr><td>A</td><td>The holder remaining employed by Duxton Water Limited (the Company) on 1 June 2026 .</td></tr><tr><td>B</td><td>The holder remaining employed by the Company on 1 June 2027.</td></tr></table> <div>each, a Vesting Condition.</div>	CLASS	VESTING CONDITION	A	The holder remaining employed by Duxton Water Limited (the Company) on 1 June 2026 .	B	The holder remaining employed by the Company on 1 June 2027.
CLASS	VESTING CONDITION							
A	The holder remaining employed by Duxton Water Limited (the Company) on 1 June 2026 .							
B	The holder remaining employed by the Company on 1 June 2027.							
4.	Expiry Date	<div>The Performance Rights whether vested or unvested, will otherwise expire on the earlier to occur of:</div> <div>(a) the holder ceasing to be an officer (and employee, if applicable) or an employee of the Company (where they are not an officer at the time of issue), as applicable, unless otherwise determined by the Board at its absolute discretion; and</div> <div>(b) 5:00 pm (ACST) on:</div> <table><tr><th>CLASS</th><th>EXPIRY DATE</th></tr><tr><td>A</td><td>1 July 2026</td></tr><tr><td>B</td><td>1 July 2027</td></tr></table> <div>(Expiry Date).</div> <div>For the avoidance of doubt, any unconverted Performance Rights will automatically lapse on the Expiry Date.</div>	CLASS	EXPIRY DATE	A	1 July 2026	B	1 July 2027
CLASS	EXPIRY DATE							
A	1 July 2026							
B	1 July 2027							
5.	Notice of vesting	The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.						
6.	Quotation of Performance Rights	The Performance Rights will not be quoted on ASX.						
7.	Conversion	Subject to paragraph 16, upon vesting, each Performance Right will, at the election of the holder, convert into one Share.						
8.	Timing of issue of Shares on conversion	<div>Within five Business Days of conversion of the Performance Rights, the Company will:</div> <div>(a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;</div> <div>(b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act), or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and</div> <div>(c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.</div> <div>If a notice delivered under 8(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure</div>						

		to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
9.	Shares issued on exercise	Shares issued on exercise of the Performance Rights rank equally with the then issued shares of the Company.
10.	Change of Control	<p>Subject to paragraph 16, upon:</p> <p>(a) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:</p> <p>(i) having received acceptances for not less than 50.1% of the Company's Shares on issue; and</p> <p>(ii) having been declared unconditional by the bidder; or</p> <p>(b) a court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies,</p> <p>then, to the extent Performance Rights have not converted into Shares due to satisfaction of the relevant Vesting Conditions, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.</p>
11.	Participation in new issues	There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without converting the Performance Rights.
12.	Adjustment for bonus issues of Shares	If the Company makes a bonus issue of Shares or other securities to the Company's existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment no changes will be made to the Performance Rights.
13.	Reorganisation	If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
14.	Dividend and voting rights	The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
15.	Transferability	The Performance Rights are not transferable.
16.	Deferral of conversion if resulting in a prohibited acquisition of Shares	<p>If the conversion of a Performance Right under paragraphs 7 or 10 would result in any person being in contravention of section 606(1) of the Corporations Act (General Prohibition) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:</p> <p>(a) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and</p>

		(b) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph 16(a) within 7 days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
17.	No rights to return of capital	A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
18.	Rights on winding up	A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
19.	ASX Listing Rule compliance	The Board reserves the right to amend any term of the Performance Rights to ensure compliance with the ASX Listing Rules.
20.	No other rights	A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.