



Notice of Annual General Meeting

Date: 11am (Adelaide time) on 10 May 2017

Place: The Stirling Hotel
52 Mount Barker Rd
STIRLING SA 5152

Notice of Annual General Meeting

The first Annual General Meeting (**AGM**) of the Company (Duxton Water Ltd ACN: 611 976 517) will be held at The Stirling Hotel, 52 Mount Barker Rd, Stirling SA on 11.00 am (Adelaide time) on 10 May 2017.

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

Attendance

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 10.30am.

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.

Items of Business

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 2016.

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 2016 is adopted."

The Remuneration Report is set out in the 2016 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.

3. Appointment and Remuneration of Independent Auditor

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

"That KPMG, having been duly nominated by a Shareholder and having consented in writing to act, is appointed as auditor of the Company and that the Board is authorised to fix the remuneration of the auditor."

4. Election of Director – Ed Peter

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

“Pursuant to clause 17.3 of the Constitution and for all other purposes, Edouard Peter is elected as a Director of the Company.”

5. Election of Director – Dennis Mutton

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

“Pursuant to clause 17.3 of the Constitution and for all other purposes, Dennis Mutton is elected as a Director of the Company.”

6. Authority to issue extra 10% Shares

To consider and, if thought fit, pass, the following resolution with or without amendment, 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.”

7. Non-executive Director total remuneration

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

“For the purposes of ASX Listing Rule 10.17 and clause 17.6 of the Constitution, the maximum aggregate amount per annum available for payment as remuneration to the Non-Executive Directors of the Company is \$250,000 per annum.”

Dated 7 April 2017

By order of the Board



Donald Stephens
Company Secretary

Explanatory Statement to Notice of 2016 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 30 December 2016 will be laid before the Annual General Meeting. 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)

Description	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2016 Annual Report and is available from www.duxtonwater.com.au.</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> ▶ Describes the policies behind and the structure of the remuneration arrangements of the Company and the Investment Manager. ▶ Sets out the remuneration arrangements in place for each Director. ▶ Explains the differences between the basis for remunerating non-executive directors and the Investment Manager. <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	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration.
Voting Exclusion	A voting exclusion statement applies to this resolution, details of which are at end of this explanatory statement.

Explanatory Statement

Item 3: Appointment of Independent Auditor

Explanation	<p>KPMG was appointed by the Board to act as auditor of the Company in April 2016, shortly after the Company was incorporated.</p> <p>Under section 327A of the Corporations Act KPMG holds office until the Company's first Annual General Meeting. Under section 327B of the Corporations Act, a public company must appoint an auditor of the company at its first annual general meeting. This 2016 AGM is the Company's first Annual General Meeting as a public company.</p> <p>The purpose of Item 3 is for shareholders to confirm the appointment of KPMG as auditor of the Company and to authorise the Board to fix the remuneration of the auditor.</p> <p>In accordance with section 328B of the Corporations Act, notice in writing nominating KPMG as auditor has been given to the Company by a shareholder. A copy of this notice is included in this Notice of Meeting. The appointment of KPMG will be by vote of shareholders as an ordinary resolution.</p> <p>KPMG has provided to the Company, and has not withdrawn, its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.</p>
Board Recommendation	<p>The Directors unanimously recommend that shareholders vote in favour of this resolution.</p>

Item 4: Election of Director – Ed Peter

Explanation	<p>Each Director (other than Dennis Mutton) was appointed to the Board on its incorporation. Of those four Directors, Ed Peter retires and, being eligible, stands for election to the Board for the purpose of Clause 17.3 of the Constitution. Ed Peter is the Company's Chairman.</p>
Director's Details	<p>Ed Peter – Non-Executive Director and Chairman of the Board</p> <p>Qualifications: Bachelor English Literature</p> <p>Ed Peter, is the co-founder and Chairman of Duxton Asset Management Pte Ltd. Prior to forming Duxton in 2009, Ed was Head of Deutsche Asset Management Asia Pacific, Middle East & North Africa. He was also a member of the 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 Markets Equities in the beginning of 2003. In November 2004, Ed became Head of Asian and Emerging</p>

Explanatory Statement

	<p>Market Equities for the new Global Markets Division.</p> <p>Mr Peter 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>Ed is appointed to the Board of the Company as a representative of the Investment Manager.</p>
Board’s Recommendation	Each of the Directors, other than Ed Peter, recommends election of Ed Peter to the Board.
Item 5: Election of Dennis Mutton as Director	
Explanation	Dennis Mutton was appointed as a Director by the Board on 20 December 2016. Pursuant to clause 17.2 of the Constitution, Mr Mutton retires at the AGM and, being eligible, stands for election as a Director.
Director’s details	<p>Dennis Mutton - Independent Non-Executive Director</p> <p>Qualifications: BSc (Hons 1), Grad Dip Mgt, FAICD, FAIM</p> <p>Dennis Mutton is an independent consultant in the fields of natural resource management, primary industries, regional growth initiatives, leadership development and government-business relationships. He also holds a range of board directorships in government, business and not for profit organisations at State and National levels. His full time work career included executive management roles in both the private and public sectors culminating in 15 years as CEO of a number of South Australian State Government agencies including the Department of Environment, Water and Natural Resources and the Department of Primary Industries and Regions. Dennis also held roles as Commissioner and Deputy President of the Murray Darling Basin Commission and Chair of the SA Natural Resources Management Council.</p>
Board’s Recommendation	Each of the Directors, other than Dennis Mutton, recommend Shareholders vote in favour of the resolution.

Explanatory Statement

Item 6: Authority to issue extra 10% Shares

<p>Explanation</p>	<p>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.</p> <p>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.</p> <p>There are a number of other rules and conditions applicable to the approval and issue of Shares under Listing Rule 7.1A, including:</p> <ul style="list-style-type: none"> 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. <p>Additional disclosure requirements</p> <p>As at the date of the Notice, Duxton Water has 63,965,406 Shares on issue. Therefore the Company, subject to shareholder approval being obtained under item 9, could issue up to a further 6,396,541 Shares under Listing Rule 7.1A.</p> <p>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</p>
<p>Minimum Issue Price</p>	<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"> i) The date on which the price at which the Shares are to be issued is agreed; or ii) If the Shares are not issued within five Trading Days of the referred to in (i) above, the date on which the Shares are issued.

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<p>10% Placement Period</p>	<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"> (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and (ii) the 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).
<p>Other Information</p>	<p>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:</p> <ul style="list-style-type: none"> • 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, <p>which may have an effect on the amount of funds raised by the issue of the Shares.</p> <p>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.</p> <p>The table also shows:</p> <ul style="list-style-type: none"> • 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.

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Variable 'A' in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.525 50% decrease in issue price	\$1.05 issue price	\$2.10 100% increase in issue price
Current Variable 'A' 63,965,406 shares	10% voting dilution	6,396,541 shares	6,396,541 shares	6,396,541 shares
	Funds raised	\$3,358,184	\$6,716,368	\$13,432,736
50% increase in current Variable 'A' 95,948,109 shares	10% voting dilution	9,594,811 shares	9,594,811 shares	9,594,811 shares
	Funds raised	\$5,037,276	\$10,074,552	\$20,149,103
100% increase in current Variable 'A' 127,930,812 shares	10% voting dilution	12,793,081 shares	12,793,081 shares	12,793,081 shares
	Funds raised	\$6,716,368	\$13,432,735	\$26,865,470

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.

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- The issue price is \$1.05, being the closing price of the Shares on ASX on 22 March 2017.
- c) The Company may seek to issue the Shares for the following purposes:
- Non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as referred to in the Note to Listing Rule 7.1A.3;
 - 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 Rules 7.1A.4 and 3.10.5A 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.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments or the nominee of such vendors.

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<p>Formula for calculating the 10% Placement</p>	<p>The number of Shares which the Company may issue pursuant to this item 9 in accordance with ASX Listing Rule 7.1A.2 may be calculated in accordance with the following formula:</p> $(A \times D) - E$ <p>Where:</p> <p>A is the number of shares on issue 12 months before the date of issue or agreement to issue:</p> <ul style="list-style-type: none"> i. plus the number of fully paid ordinary shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2; ii. plus the number of partly paid shares that became fully paid in the previous 12 months; iii. plus the number of fully paid shares in the previous 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4 – this does not include an issue of fully paid shares under the Company’s 15% placement capacity (which is not subject to shareholder approval); iv. less the number of fully paid ordinary shares cancelled in the previous 12 months <p>D is 10%</p> <p>E is the number of Shares issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.</p>
<p>Board Recommendation</p>	<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>
<p>Voting Exclusion</p>	<p>A voting exclusion statement applies to this resolution, details of which are at end of this explanatory statement.</p>

Explanatory Statement

Item 7: Non-Executive Director total remuneration

<p>Explanation</p>	<p>ASX Listing Rule 10.17 requires Shareholders to approve the total amount of Non-Executive Directors’ remuneration that can be paid each year, and any increase in that total. The current limit of \$250,000 was approved by Shareholders of the Company prior to listing on ASX. As a matter of prudent corporate governance the Company seeks approval from existing Shareholders for the maximum total Non-Executive Director remuneration to be \$250,000 per annum.</p> <p>As set out in the Remuneration Report, the 2 Non-Executive Directors who are also directors of the Investment Manager, Ed Peter and Stephen Duerden, do not receive any remuneration from the Company. There are presently 3 independent Non-Executive Directors. There are no Executive Directors, as all relevant executive services are provided by the Investment Manager.</p>
<p>Board Recommendation</p>	<p>The Board recommends existing Shareholders approve the maximum total Non-Executive Director remuneration of \$250,000 per annum following reasons:</p> <ul style="list-style-type: none"> • To ensure the NED Fee Pool can accommodate additional Non-Executive Directors being appointed to the Board. • To enable the Company to maintain remuneration arrangements that are market-competitive, so it can attract and retain high calibre individuals as Non-Executive Directors. • To provide for Non-Executive Directors’ fees to grow in the future to reflect market trends.
<p>Voting Exclusion</p>	<p>A voting exclusion statement applies to this resolution, details of which are set out at the end of this explanatory statement.</p>

Voting Exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and /or the Company must disregard any votes cast by certain persons in relation to certain resolutions. These voting exclusions are described below.

Item 2 – Adoption of Remuneration Report

Votes may not be cast, and the Company will disregard any votes cast, on the resolution on item 2:

- ▶ by or on behalf of any Key Management Personnel (KMP) whose remuneration details are included in the Remuneration Report, or any of their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- ▶ by any person who is a KMP member as at the time the resolution is voted on at the Annual General Meeting, or any of their closely related parties, as a proxy, unless the votes are cast as a proxy for a person who is entitled to vote on the resolution;
- ▶ in accordance with a direction in the proxy appointment; or
- ▶ by the Chairman of the Annual General Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a KMP member.

Item 6 – Approval of 10% Placement Capacity

The Company will disregard any votes cast on this Resolution by any person (and any associates of such a person) who may participate in the 10% Placement Capacity and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Item 7 – Non-Executive Director total remuneration

The Company will disregard any vote cast on the resolution on item 7 by:

- ▶ Any Director or any of their associates.

Further, a vote must not be cast on item 7 by a KMP, or a closely related party of a KMP, acting as a proxy if their appointment does not specify the way the proxy is to vote on that resolution.

However, the Company need not disregard a vote if the vote is cast as a proxy for a person who is entitled to vote on the resolution:

- ▶ in accordance with a direction in the proxy appointment or form; or
- ▶ by the Chairman of the AGM in accordance with an express authorisation in the proxy appointment or form to cast the vote as the proxy decides.

Voting by Proxy

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 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,

so that it is received no later than 11.00 am (Adelaide time) on 8 May 2017.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolutions 2 and 7 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolutions 2 and 7 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 8 May 2017 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

The Corporations Act imposes prohibitions on KMP 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 KMP. 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 Chair of the Meeting intends to vote all available undirected proxies in favour of each item of business.

Glossary

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

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

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 (CRP) 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.

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 of accompanying the Notice.

Investment Manager means Duxton Capital (Australia) Pty Ltd.

Key Management Personnel (KMP) 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.

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 2016.

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.

27 March 2017

Mr Donald Stephens

Company Secretary

Duxton Water Ltd

Duxton House

7 Pomona Road

STIRLING SA 5152

Dear Sir,

DUXTON WATER LTD – NOMINATION OF AUDITOR

In accordance with section 328B(1) of the Corporations Act 2001, I Alexandra Grigg, being a shareholder of Duxton Water Ltd ("Company"), hereby nominate KPMG of 151 Pirie Street, Adelaide SA 5000 as auditor of the Company.


Yours Faithfully,




ALEXANDRA GRIGG

D20
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 556 161
(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 11:00am Monday 8 May 2017**

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

XX

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 The Stirling Hotel, 52 Mount Barker Rd, Stirling SA 5152 on Wednesday 10 May 2017 at 11:00am (Adelaide time) 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 **Items 2 and 7** (except where I/we have indicated a different voting intention below) even though **Items 2 and 7** are 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 **Items 2 and 7** 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

	For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of Independent Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director – Ed Peter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Director – Dennis Mutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Authority to issue extra 10% Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Non-executive Director total remuneration	<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 ____ / ____ / ____

D 2 O

9 9 9 9 9 A

Computershare

D2ORM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Duxton Water Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely



Donald Stephens
Company Secretary