



# How to complete this form

## Exercise your Options in full or part

### Registration Name(s)

The fully paid ordinary shares will be registered in the name(s) printed on the form.

### A Options Exercised

Enter the number of Options you wish to exercise.

### B Exercise Moneys

Enter the amount of exercise moneys. To calculate the amount payable, multiply the number of Options exercised by the exercise price.

### C Payment

Make your cheque or bank draft payable to Duxton Water Limited in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

**Sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Exercise of Options Notice being rejected. Pin (do not staple) your cheque(s) to the Exercise of Options Notice. Cash will not be accepted. Receipt for payment will not be forwarded.**

### D Signature(s)

You must sign the form as follows in the space provided:

Individual: where the holding is in one name, the Optionholder must sign.

Joint holding: the holding is in more than one name all of the Optionholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. Alternatively, attach an originally certified copy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

Deceased Estate: all executors must sign and, if not already noted by the registry, a certified copy of Probate or Letters of Administration must accompany this form.

If you are in any doubt as to how to deal with this document, please consult your Financial or other Personal Advisor.

If you have any enquiries concerning your Optionholding, please contact Computershare Investor Services Pty Limited on 1300 640 947.

## Lodgement of Notice

The Exercise of Options Notice must be received at the address below by no later than 5.00pm ACST on 31 May 2018.

Return the Exercise of Options Notice with cheque(s) attached to:

Computershare Investor Services  
GPO Box 1903,  
Adelaide SA 5001

OR

Computershare Investor Services  
Level 5, 115 Grenfell Street,  
Adelaide SA 5001

Neither Computershare Investor Services Pty Limited nor Duxton Water Limited accepts any responsibility if this Options Notice is lodge at any other address or by any other means.

## TERMS AND CONDITIONS OF OPTIONS

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1. Each Option is issued by Duxton Water Ltd (**the Company**) in accordance with these terms and conditions (**Option**).
2. Each Option entitles the person who is the registered holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share in the Company (**Share**) in accordance with these terms.
3. The Company will apply to ASX for quotation of the Options at the same time as it first applies to ASX for quotation of its Shares.
4. No amount is payable on the issue of the Options.
5. The Company will maintain a register of Option Holders in accordance with the Corporations Act and will give each Option Holder a holding statement for their Options.

### Exercise of Options

6. Each Option is exercisable by the Option Holder at any time during the Exercise Period, being the period beginning on the issue of the Options and expiring at 5.00pm ACST on 31 May 2018 (**Expiry Date**).
7. An Option may only be exercised by the Option Holder paying the sum of \$1.10 (**Exercise Price**) to the Company and giving notice to the Company in accordance with these terms. Options not validly exercised on or before the Expiry Date will automatically lapse and be cancelled.
8. Method of Exercise of Options:
  - (a) The Company will provide to an Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**).
  - (b) Options may be exercised by the Option Holder validly completing the Notice of Exercise of Options and delivering it to the Company to be received prior to the Expiry Date. Once delivered, a valid Notice of Exercise of Options cannot be withdrawn.
  - (c) The Notice of Exercise of Options must state the number of Options to be exercised, which number of Options must be a multiple of 1,000 if only part of the Option Holder's total Options are exercised (unless the Option Holder exercises all Options held).
  - (d) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the Exercise Price by cheque in Australian dollars for all Options being exercised.
  - (e) An Option will be deemed to have been exercised on the date the Company receives a valid Notice of Exercise of Option and full payment in cleared funds of the Exercise Price.
9. Subject to Clause 9(c), the exercise of less than all of the Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement.

### Issue & Quotation of Shares

10. Upon receiving a valid Notice of Exercise of Options, the Company will allot and issue the applicable Shares within 10 business days.
11. Within 2 business days of the issue of Shares upon the exercise of Options, the Company will apply for quotation by ASX of those Shares.
12. All Shares issued upon valid exercise of Options will, subject to the Constitution of the Company, rank equally in all respects with the existing Shares on issue at the date of allotment.

### Information, Voting & Dividend Rights

13. An Option:
  - 13.1. entitles the Option Holder to receive all reports given to Shareholders,
  - 13.2. does not entitle the Option Holder to vote at any meeting of Shareholders or other security holders (as an Option Holder only), and
  - 13.3. does not confer any dividend rights on the Option Holder.

### **Reorganisation**

14. In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

### **Bonus and Other Pro Rata Issues**

15. If the Company makes a bonus issue of Shares to existing Shareholders (other than an issue in satisfaction of a dividend or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining the entitlements of the new issue, the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the option would have received if the Option had been exercised before the relevant record date for the bonus issue.
16. If the Company makes a pro rata issue of Shares (other than a bonus issue) to existing Shareholders (other than an issue in satisfaction of a dividend or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining the entitlements to the new issue, the Exercise Price for each Option is reduced in accordance with the ASX Listing Rules.

### **New Issues**

17. An Option does not entitle the Option Holder to participate in any new pro-rata issues of capital which may be made or offered by the Company to its security holders from time to time prior to the Expiry Date, unless the Option is exercised prior to the record date for establishing eligibility to participate in any new issue.
18. During the Exercise Period, in respect of any new pro-rata issue of securities in respect of which a Shareholder may be eligible to participate, in accordance with the ASX Listing Rules the Company will notify all Option Holders of:
  - 18.1. the right (if any) to exercise any Options, and
  - 18.2. the proposed terms of the new pro-rata issue, including the record date for the purposes of determining entitlements to that new pro-rata issue, which will be at least 4 business days after such new issues are announced (or such other longer date if required under the ASX Listing Rules).

### **General**

19. The Board will make any calculations which are required for the purposes of these terms which, in the absence of manifest error, will be binding on the Company and the Option Holder.
20. The Company will notify the Option Holder of any changes required to be made to the terms of the Options within a reasonable period after the change has been made.
21. These terms and the rights of the Option Holders are governed by the laws of South Australia. Each Option Holder submits to the jurisdiction of the courts of that state.