

Compensation Committee Charter

Version Approved Effective: December 10, 2025

PURPOSE

The compensation committee ("Committee") is appointed by the board of directors ("Board") of Pure Cycle Corporation ("Company"). This compensation committee charter specifies the composition, scope of authority and responsibility of the Committee. The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through overseeing the compensation philosophy and policies of the Company. The Committee shall review and recommend to the Board all compensation arrangements for the executive officers and key employees of the Company.

COMPOSITION

The Committee shall have at least three (3) members at all times, each of whom:

- (1) Is an "independent director," as defined in the NASDAQ listing standards, as amended;
- (2) Satisfies any additional independence requirements applicable to the Company for compensation committee members under the NASDAQ listing standards and any other applicable laws, rules and regulations in effect from time to time;
- (3) Is an "outside director" under Regulation Section 1.162-27 promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended; and
- (4) Is a "non-employee director," as defined in Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended.

In addition, Committee members shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member. In making such determination, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to the director's ability to be independent from management in connection with the duties of a Committee member, including but not limited to:

- (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- (ii) whether such director is affiliated with the Company, a subsidiary or an affiliate of a subsidiary of the Company.

Each member of the Committee shall be appointed by the Board and shall serve until the earlier to occur of the date on which he or she shall be replaced by the Board, resigns from the Committee, or resigns from the Board.

MEETINGS

The Board shall appoint one member to chair the Committee, who shall prepare and/or approve the agenda for each meeting and shall preside over meetings of the Committee (referred to as the "Chair"). In the absence of the Chair, the Committee shall select a chair for that meeting. A majority of the members of the Committee shall constitute a quorum and the act of a majority of the members present at a meeting where a quorum is present shall be the act of the Committee. The Committee may also act by unanimous written consent of its members. The Committee shall maintain minutes or other records of meetings and activities of the Committee. The Committee shall meet as frequently as circumstances dictate, but no less than once annually. The Committee shall, through the Chair, report to the Board following the meetings of the Committee.

RESPONSIBILITIES, DUTIES AND POWERS

Set forth below are the principal responsibilities of the Committee, authorization for which has been provided by the Board. These items are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities. In performing these responsibilities, the Committee shall have access to the Company's personnel and documents as necessary to carry out its responsibilities. The Committee may delegate to subcommittees of the Committee or to one or more executive officers of the Company the authority to make compensation determinations for employees who are not executive officers of the Company, except as provided below. The chief executive officer may not be present during voting or deliberations on his or her compensation.

1. Determine at least annually the corporate goals, objectives, factors, and criteria relevant to compensation of the Company's executive officers and key employees for the current fiscal year, and the procedures for determining compensation to be paid to the Company's executive officers and key employees.
2. Evaluate at least annually the performance of the Company's executive officers in light of established goals and objectives.
3. Review at least annually all forms of compensation (including, without limitation, salary, bonus, commission, stock, stock options, perquisites, severance, change in control benefits and other forms of compensation) applicable to the Company's executive officers .
4. Review at least annually and recommend to the Board for determination (i) salaries paid to the executive officers, (ii) grants of cash-based bonuses and equity compensation provided to the executive officers, (iii) the entering into, or amendments or extensions of, employment contracts or similar arrangements with the executive officers, (iv)

executive officers' severance or change in control benefits, and (v) such other executive officer compensation matters as may be directed by the Board from time to time.

5. Review policies for the administration of the executive officer compensation programs and policies regarding perquisites.
6. Review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive compensation plans and shares reserved thereunder.
7. Administer the Company's equity incentive and similar stock-based plans ("Stock Plans") in accordance with the terms of said Stock Plans. The Committee will: (i) approve grants of stock, stock options, stock purchase rights, restricted stock grants and other equity incentives to individuals eligible for such grants (including grants in compliance with Rule 16b-3 promulgated under the Exchange Act to individuals who are subject to Section 16 of the Exchange Act); (ii) interpret the Stock Plans and agreements thereunder; (iii) determine acceptable forms of consideration for stock acquired pursuant to the Stock Plans; (iv) adopt, amend or terminate any subplans under the Stock Plans, and (v) exercise such other power and authority as may be permitted or required under the Stock Plans. In carrying out its administration of the Stock Plans, the Committee may delegate any part of the duties under this Section 7 to the chief executive officer of the Company; provided, however, that the Committee may not delegate to the chief executive officer the authority to (a) grant, amend or administer any stock option or other equity award to or held by any director or executive officer of the Company, (b) grant any stock option with an exercise price per share that is less than the fair market value of the Company's common stock as determined under the applicable Stock Plan, or (c) take any action not otherwise permitted under the applicable Stock Plans. Any such delegation of duties shall be reflected in the written minutes of the Committee.
8. Regularly report to the Board on the major items covered at each Committee meeting and make recommendations to the Board and management concerning such matters.
9. Review and discuss with management the Company's disclosures contained under the caption "Compensation Discussion and Analysis" for use in any of the Company's periodic reports, registration statements and proxy statements to be filed with the Securities and Exchange Commission and make recommendations to the Board that the "Compensation Discussion and Analysis" be included in the Company's periodic reports, registration statements or proxy statements, as the case may be.
10. Assist with the preparation of disclosures required for executive compensation to the Company's shareholders for inclusion in the proxy statement for the Company's annual meeting in accordance with the rules and regulations of the Securities and Exchange Commission.
11. Review and assess on at least an annual basis the adequacy of this Charter and, if appropriate, recommend revisions for approval by the Board.

12. Perform such further functions as may be requested by the Board.
13. Perform any other activities required by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission and any exchange or market on which the Company's capital stock is traded, and perform other activities that are consistent with this charter, the Company's articles of incorporation and bylaws, and governing laws, as the Committee or the Board deems necessary or appropriate.

STUDIES AND OUTSIDE ADVISORS

The Committee will have the sole authority, as and when it shall determine to be necessary or appropriate to the functions of the Committee, at the expense of the Company and not at the expense of the members of the Committee, to retain and terminate compensation consultants, legal counsel and other advisors of its choosing to assist the Committee in connection with its functions. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any compensation consultant, legal counsel and other advisor retained by it. The Committee shall have the sole authority to approve the fees and other retention terms of such advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors employed by the Committee. Except as set forth below, the Committee shall select a compensation consultant, legal counsel or other advisor, other than in-house legal counsel, only after taking into consideration the independence of such consultant, counsel or other advisor using the following factors and any other factors established by applicable laws, rules and regulations:

- (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
- (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation, consultant, legal counsel or other advisor;
- (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
- (v) any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
- (vi) any business or personal relationship of the compensation consultant, legal counsel or other advisor or person employing the advisor with an executive officer of the Company.

The Committee is not required to conduct an independence assessment for a compensation advisor that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is available generally to all salaried employees; or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the advisor and about which the advisor does not provide advice.
