Trading Exchange
- Terms and Conditions

General Information

Western Murray Irrigation Ltd (WMI) has developed a Trading Exchange to facilitate the sale and purchase of Water Allocation and Delivery Allowance. WMI operates the Trading Exchange solely to connect buyers and sellers and does not provide financial, legal, tax or trading advice.

All Trades on the Trading Exchange are subject to WMI's Transfer Rules Policy, available on our website. This Trading Exchange is only available to WMI Customers and can be accessed via WMI's secure customer portal.

Definitions

- **"Act"** - the *Water Act 2007* (Cth).
- **"Australian Consumer Law"** - the Australian Consumer Law contained in Schedule 2 to the *Competition and Consumer Act 2010* (Cth).
- **"Business Day"** - a day other than a weekend or public holiday in New South Wales.
- **"Buyer"** or **"Seller"** - a person who lists an offer to buy or sell Water Allocation or Delivery Allowance on the Trading Exchange.
- **"Trade"** - a transfer of Water Allocation or Delivery Allowance between a buyer and a seller on the Trading Exchange.
- **"Trust Account"** - a trust account established for holding client funds in accordance with the statutory trust accounting framework for eligible water markets intermediaries under the Code and Division 5 of Part 5 of the Act.
- **"Water Allocation"** and **"Delivery Allowance"** - as defined in WMI's General Conditions.
- **"Water Markets Intermediaries Code (the Code)"** - the Water Market Intermediaries Code contained in Division 1 of Part 5 of the *Water Regulations 2008* (Cth).

Scope of Services

We provide the following services via the Trading Exchange:

- Listing of offers by customers of WMI (through an application process) to buy and sell Water Allocation and Delivery Allowance on the Trading Exchange.
- Facilitating trades through matching of offers to buy and sell Water Allocation and Delivery Allowance registered on the Trading Exchange, through a second application process.
- Maintaining an online trading page for the Trading Exchange.

WMI does not receive or hold eligible tradeable water rights on behalf of other persons and does not maintain broking water accounts.

Trading Process through the Trading Exchange

List to BUY or SELL

To apply to list a BUY or SELL order on the Trading Exchange, a customer is required to complete and submit the *Application – List on Trading Exchange* Form. Each application is given a unique identifier number that the customer can track on the Trading Exchange. This application form is available on WMI's website. This application can be submitted via e-mail or in person at our Office. Once approved by WMI the BUY or SELL order will be listed on the Trading Exchange. Applications received via e-mail between [8:30 am and 11:30 am] on a Business Day will be processed and registered on the Trading Exchange on the same Business Day. Applications received via e-mail after [11:30 am] on a Business Day will be registered on the Trading Exchange on the next Business Day.

A BUY or SELL order listed on the Trading Exchange is a binding offer by the applicable buyer (in case of a BUY order) or seller (in case of a SELL order) to buy or sell the Water Allocation or Delivery Allowance listed in the order.

All trade orders and acceptances are processed in accordance with the principles of fairness and transparency. SELL orders will be listed according to price from lowest to highest and BUY orders will be listed according to price from highest to lowest. Orders with the same price will be listed chronologically from oldest to newest.

A BUY or SELL order may have the price altered by submitting the *Application - Price Alteration* Form. Any price change will result in the original order being removed and re-listed with a new timestamp, reflecting the updated price. The new timestamp will apply for the purposes of chronological ordering on the Trading Exchange. The allocated unique identifier number will not change.

To apply to list a SELL order on the Trading Exchange, a seller must have available in the seller's Water Account at least the volume of Water Allocation specified in the offer and must have available in the seller's Delivery Account at least the volume of Delivery Allowance specified in the offer. The seller must ensure that the Trade does not cause its Water Account or Delivery Account to have a negative balance. WMI may withdraw a SELL offer from the Trading Exchange if the Trade would result in the seller's Water Account or Delivery Account having a negative balance (for example, this could occur if the seller orders Water Allocation for delivery after listing of the SELL offer).

A seller must not advertise, list, make available for transfer or sell outside of the Trading Exchange, any Water Allocation or Delivery Allowance that is listed in the Trading Exchange under a SELL offer.

Commit to a BUY or SELL

A customer may apply to WMI to buy or sell Water Allocation or Delivery Allowance listed on the Trading Exchange. The customer is required to complete and submit the *Application – Accept Listing on Trading Exchange* Form. This application form is available on WMI's website. The application can be submitted via e-mail or in person at our office.

Upon acceptance by WMI of the *Application – Accept Listing on Trading Exchange*, a binding contract for the sale and purchase of the applicable Water Allocation or Delivery Allowance exists between the buyer and seller.

Once the trade has been matched, the buyer is then invoiced for the amount payable by the buyer in connection with the transaction, inclusive of the purchase price and WMI's administration fee.

Payment in full to WMI's Trust Account is required within two (2) business days from WMI's acceptance of the *Application – Accept Listing on Trading Exchange*. If payment is not received within three (3) business days, the transaction will be cancelled and both parties notified, and the BUY or SELL offer (as the case may be) will be reinstated on the Trading Exchange.

Split parcels

If an application to list a SELL order indicates that the seller wishes to allow split parcels, then it may be matched to two or more BUY orders at different times and on different dates. Each time the SELL order is matched to a BUY order, the remaining Water Allocation or Delivery Allowance will be listed as a new SELL order with the same timestamp as the original order (WMI may allocate a new unique identifier number or modify the original unique identifier number).

The application to list a SELL order may indicate minimum parcel size for the purposes of split parcel trades. If no minimum is listed, split parcels of any size will be permitted.

Fees and commissions

WMI charges an administration fee for Trades conducted on the Trading Exchange. Refer to the appropriate fees here Schedule of Administration Fees – "*Transfer of Water Allocation or Delivery Allowance"*. The administration fee is payable by the buyer upon settlement of the Trade, as outlined below.

WMI does not accept commissions or other benefits from either buyers or sellers.

Settlement Process

Buyer

The buyer must pay the full amount as invoiced. Partial payments will not be accepted. The invoice will include the agreed purchase price and WMI's administration fee. Payment must be received within two (2) business days after being notified of the successful match.

Seller

Within three (3) business days of receiving payment, WMI will pay the sale proceeds to the seller.

By applying to register a SELL offer on the Trading Exchange or to accept a BUY offer on the Trading Exchange, the seller directs WMI to deduct from the payment to the seller applicable fees in respect of the listing of the offer and the Trade.

Failed Settlement and Cancellation

If full payment is not received within three (3) business days of invoicing, the trade will be cancelled, and the original SELL order will be relisted on the exchange.

Disclosure Statement

When WMI acts as both the intermediary and the seller (in relation to Water Allocation or Delivery Allowance that it owns or manages), we will:

- Clearly label listings as “WMI-Managed”
- Follow the same rules and timelines as other trades
- Not prioritise our listings over those of customers
- Disclose the dual role and obtain consent if required under the Code.

We may represent both the buyer and seller in relation to a trade, impartially to facilitate the trade in accordance with our obligations under the Code.

WMI will take reasonable steps to avoid any other conflicts of interest. Written consent will be obtained before proceeding, where conflicts exist.

WMI’s legal obligations

WMI is required to comply with:

- Part 5 of the Act
- the Code (which is contained in Division 1 of Part 5 of the *Water Regulations 2008* (Cth))
- the statutory trust accounting framework for eligible water markets intermediaries under the Code and Division 5 of Part 5 of the Act.

In the course of conducting the Trading Exchange, WMI is required under Subdivision B of the Code to:

- place the interests of buyers and sellers before its own interests
- represent the interests of buyers and sellers diligently and with due care and skill
- act in accordance with the lawful instructions provided by buyers and sellers
- act in good faith
- deal with conflicts of interest with clients
- deal with material personal interests in eligible tradeable water rights
- provide information about the services that it provides and its legal obligations
- have a complaints-handling process and deal with complaints
- have written authority to trade or transfer an eligible tradeable water right
- have written authority to act as agent
- maintain broking water accounts where it receives and holds eligible tradeable water rights on behalf of a person, and prepare statements about broking water accounts
- hold professional indemnity insurance
- comply with record-keeping requirements in relation to clients and proposed clients.

WMI is required to comply with the Australian Consumer Law, including:

- not to engage in conduct that is misleading or deceptive or is likely to mislead or deceive (Part 2-1)
- not to engage in conduct that is unconscionable, within the meaning of the unwritten law from time to time (Part 2-2)
- not to propose, apply or rely on unfair terms that are included in standard form contracts made by WMI (Part 2-3)
- not to make false or misleading representations (Division 1 of Part 3-1).

The Act, the Code and the Australian Consumer Law are available for viewing at the Australian Government Federal Register of Legislation, at www.legislation.gov.au.

WMI's Trust Account

Funds are held in WMI's Trust Account in compliance with the Code.

- We will maintain a separate ledger for your funds.
- You may request a statement from the ledger in respect of the money held in the Trust Account on your behalf, which will be provided within five (5) business days of WMI's receipt of your request.
- WMI is required to prepare a statement each financial year for the Trust Account and provide the statement to the ACCC if the ACCC so requests.
- An independent audit will be conducted annually in line with legal requirements under the Act and the Code.

Confidentiality

We will protect your confidential information and only disclose it:

- With your written consent
- As required by law (e.g. to comply with legal requirements to provide information to the ACCC, Bureau of Meterology or other government agencies)

Insurance

We maintain professional indemnity insurance that covers our activities under the Water Markets Intermediaries Code.

Record Keeping

We retain all records relating to:

- Client instructions and correspondence
- Trade documentation
- Trust accounting
- Complaint resolution

for a minimum of six (6) years, in accordance with legal obligations.

Complaints

Complaints will be handled in line with our Complaints Handling Policy, available via our website at Complaints Handling Policy. To lodge a complaint, please contact:

- **Email**: enquiries@westernmurray.com.au
- **Phone**: (03) 50274 953 (Business hours only)
- **Mail**: PO Box 346 Dareton NSW 2717
- **In-person**: 5 Tapio Street Dareton NSW 2717

Withdrawal of BUY or SELL offer

A party may withdraw a BUY or SELL offer by providing written notice to WMI prior to the offer being matched on the Trading Exchange. Withdrawal notices received by WMI via e-mail between [8:30 am and 11:30 am] on a Business Day will be processed and registered on the Trading Exchange on the same Business Day. Withdrawal notices received via e-mail after [11:30 am] on a Business Day will be registered on the Trading Exchange on the next Business Day.

An offer remains valid until the withdrawal notice has been processed and registered. If a BUY offer and a SELL offer are matched after a withdrawal notice has been provided to WMI but has not yet been processed and registered within the timeframes above, the resulting Trade will be valid and a binding contract will be formed despite the withdrawal notice having been provided.

Once a Trade is matched on the Trading Exchange, the Trade becomes legally binding and may only be terminated by mutual agreement of the buyer and seller or as permitted by law.

Limitation of WMI's liability

To the maximum extent permitted by law, all buyers and sellers and their executors, administrators, successors and assigns release and indemnify WMI and its associates from and against all claims, demands, proceedings, losses, damages, remedies, costs or other matters, whether in tort (including negligence), contract, under law or otherwise arising directly or indirectly from or in connection with their participation in the Trading Exchange or any Trade conducted on it.

However, the above release and indemnity does not cover any claim, demand, proceeding, loss, damage, remedy, cost or other matter to the extent that it was caused or contributed to by an

unremedied breach of these Terms and Conditions, contravention of the law or negligence of WMI or any of its employees, representatives or agents.

Acknowledgment

By using the Trading Exchange, you acknowledge that you have read, understood, and agreed to be bound by these Terms and Conditions. WMI is also required to comply with our obligations under the Water Markets Intermediaries Code, notwithstanding anything to the contrary in these Terms and Conditions.

A copy of these Terms and Conditions is available at www.westernmurray.com.au and may be updated from time to time.

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