



Trading Rules

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OBJECTIVES

The primary activities and objectives of Water Partners (Aust) Ltd (trading as Water Partners) are to promote the development of agricultural resources, horticultural resources, pastoral resources, viticultural resources and manufacturing resources, specifically, the facilitation of access to the economic, efficient and affordable use of water to those within the agricultural industry.

Specific primary and dominant activities and objectives are;

- 1.1 to identify and promote advancements in water use and water efficiencies for the betterment of irrigation communities.
- 1.2 to provide education to all irrigation industry participants including, but not limited to;
 - 1.2.1 trading rules and regulations;
 - 1.2.2 water portfolio management;
 - 1.2.3 how to make efficient use of available market mechanisms;
 - 1.2.4 improve the efficient use of water;
 - 1.2.5 the continued engagement with Government and peak industry bodies.
- 1.3 to actively promote the services that the company provides, including its educational services and industry promotional activities.
- 1.4 to investigate and support research and development in regard to efficiencies of water use, transfer and affordability, in relation to the irrigation industry by co-operatively participating with and engaging third-party service providers including tertiary institutions, peak industry bodies and government departments.
- 1.5 to establish a water trading model, including the trade of temporary and permanent entitlements, which will provide market access to the irrigation community, including smaller and niche businesses, which are important to the vitality of rural communities. These services will: -
 - 1.5.1 support a fair and open water trading environment.
 - 1.5.2 conduct water trades in an open and transparent manner
 - 1.5.3 provide a published current price reference point for water market participants and the wider agricultural community;
 - 1.5.4 ensure confidentiality of water trade and trader information; and
 - 1.5.5 publish and adhere to developed water trading rules.

Further, the ancillary objectives of the Company are;

- 1.5 to ensure that equal opportunity and access to trading are provided to all market participants.
- 1.6 to provide governance protocols that will ensure that all Members are treated equitably and that no Director or Officer will receive an advantage over another Member.

- 1.7 to develop protocols to ensure appropriate disclosure of the water trading activities of the Directors or Officers.
- 1.8 to provide that each Member has one (1) vote whenever a matter is referred to Members for decision at a General Meeting of the Company.
- 1.9 to provide that the weekly pooled water trading process will be independently audited.
- 1.10 to ensure that the Company will not undertake private water trades of temporary seasonal water allocation outside the mechanisms adopted for fair and transparent market disclosure.
- 1.11 to provide pertinent information and education to the water industry in Victoria and Australia-wide;
- 1.12 to undertake other activities as deemed appropriate by the Board for the benefit of the Company and its Members.

ABOUT WATER PARTNERS (AUST) LTD

Water Partners is a member-owned water broker that commenced in 2012 when fifty foundation members established Waterpool Trading Ltd to provide a market-driven option on a cooperative model. In 2019, members voted to move to a company limited by guarantee and Water Partners (Aust) Ltd commenced trading on 1 July 2019. Water Partners is Australia’s only Not-for-Profit water broker and is governed by a Board.

Initially, the company commenced with the Pooled Exchange as its flagship method of trade. Over the years new products and trading platforms have been developed to meet our customer's needs including live Traderooms for Allocation, Carryover and Permanent trade. We also have a variety of products including Allocation & Entitlement Leases, Forward Allocation and water management services.

Water Partners' service area has also grown across Victoria, New South Wales and South Australia with online trading enabling ease of use at any time.

PURPOSE OF TRADING RULES

These trading rules are formed under the governance of the Board of Directors of Water Partners (Aust) Ltd trading as Water Partners, to clearly define the processes and rules of trading water entitlement within the Water Partners Traderooms.

1. GLOSSARY OF TERMS

Term	Meaning
Allocation Bank Account (ABA)	The account held in the Victorian Water Register provides available water balances as a consequence of allocation, usage, trade-in, trade-out and write-offs.

Cancellation	A direction to Water Partners (Aust) Ltd by either hard copy or electronic means which effectively removes a buy or sell offer from Traderooms.
Form 39	The required form to enact the transfer of water from one ABA to another. The form is identified by a unique six-digit number following the letters ALL.
Form 39B	An authority to act on your instructions for trade from a specific Allocation Account (ABA) in Victoria.
Offer	A contractual agreement between the trader and Water Partners (Aust) Ltd for the sale or purchase of an agreed water volume allocation at an agreed price.
Trading Zone	A physical area in which water can be traded or used. Trading Zone rules govern trade between and within these areas.
Water Allocation	An allocation of water made under the Water Act 1989 concerning a Water Share from water determined to be available in a given season.
Water Allocation Transfer	The transfer of water allocation in a given season.
Water Entitlement	A legally recognised entitlement to a volume of water.
Online Trade Rooms	A system that enables traders to list offers to buy and sell allocation water, Carryover space or entitlement online. These offers can then be accepted by other traders 24/7.

TRADE ROOM - ALLOCATION

2. HOW THE TRADE ROOM WORKS

The Trade Room is a system whereby registered traders lodge offers to buy and sell via authenticated website login. Once an offer is lodged it becomes 'live' and can be accepted by other registered traders resulting in the instant matching of trades.

The Trade Room will list available sell lots in ascending order, and available buy lots in descending order, based on their unique offer number. Traders will outline the ML they wish to buy, or sell, together with

the price per ML they are willing to pay or accept. The trader will also have the option of accepting offers on a portion of their offer volume. The prices will be fixed.

If a 'live' offer is accepted it will be removed from the trading screen and the successful trader will be notified that their offer has been accepted. Traders will be contractually bound to complete a trade once they have accepted an offer.

3. HOW TO PARTICIPATE IN THE TRADE ROOM

To participate in Water Partners Tradersroom, all traders must first register at www.waterpartners.org.au. Once all information has been completed online, an email will be sent advising the trader that they have registered online, and certain evidence of entitlement ownership will be required along with the appropriate authority to act. The email will also advise that registration is pending the receipt of the required information. Once this information has been received and processed, Water Partners will email login details to the trader including a temporary password which they will be prompted to change at first log-in.

For those traders who are not familiar with the internet, Water Partners will offer to complete the registration over the phone or in person. The necessary evidence of entitlement ownership will still be required, together with the appropriate authority to act.

Traders will need to upload their offers to include all requested information. Once they have approved the offer, it will become 'live', and available for viewing by all potential traders. Only registered traders can accept an offer on the Trade Room. All offers are subject to a feasibility check upon acceptance to ensure the trade is valid.

All steps are put in place to protect the privacy of all traders and Water Partners will ensure trader's identities remain confidential at all times.

4. PAYMENTS

Buyers of allocation water via the Tradersroom are required to pay for their water purchase **within 48 hours** of offer acceptance. Buyers are required to pay any invoices before Water Partners' transfer allocation.

Water Partners guarantees payment to successful sellers once funds have been received from the buyer.

5. SCHEDULE OF ACTIONS

Action	Timeline
Offers Lodged	Live
Cancellation of Offers Lodged	Live (unless offer accepted)
Offer Acceptance	Live

Information about trades on the website (www.waterpartners.org.au)	Live
Feasibility checking of accepted offers	Live
Resolution of issues identified in the feasibility check	Daily
Water Partners staff check accounts to confirm payments received from buyers	Daily
Lodgement of Form 39 to Water Register	Daily upon receipt of buyer's payment.
Payments made to sellers	Daily upon receipt of buyer's payment and successful approval of the trade via Water Partners (Aust) Ltd's Auto Lodgement system.
Traders' online offer information is updated to reflect trades successfully matched	Live
Payment by buyers	Within 48 hours of offer acceptance.

TRADING RULES

6. **RULE 1 – TRADER REGISTRATION**

1. Log on to www.waterpartners.org.au and click on the Register button.
2. Traders will register online and provide the following:
 - a. Contact Name
 - b. Full name(s) of entitlement holder(s)
 - c. Address
 - d. Contact details, including, phone and email
 - e. Entitlement details - ABA, WAL, WEE etc.
 - f. Trading Zone
 - g. Water Authority
 - h. Water Partners (Aust) Ltd Membership Number (if already a member)
3. Registration must be completed for each trading entity.
4. Each trader must accept Water Partners' Terms and Conditions before Registration can be completed.
5. An email will be sent to traders confirming registration has been successful but further documentary evidence must be provided to Water Partners before log-in details will be provided. This evidence will include, but may not be limited to:
 - a. Evidence of entitlement ownership such as an up-to-date ABA statement
 - b. Appropriate Authority to act (Form 39b)
 - c. Company extract (if the trading entity is a company)

d. Power of Attorney (if applicable)

6. Once these documents have been received by Water Partners, Water Partners will email login details to the traders advising Login ID and a temporary password which, when entered will prompt traders to change upon initial log-in.

7. RULE 2 – SUBMISSION OF OFFERS

1. Registered traders lodge offers to buy and sell via authenticated website login.
2. Traders are required to agree to Water Partners' trading terms and conditions when the offer is lodged on the website.
3. Successfully lodged offers are allocated a unique Offer Number by the system. The offer is in the form BXXXX for buyers and SXXXX for sellers.
4. The following information must be provided for an offer to be deemed available:
 - a. Allocation Bank Account number
 - b. Is the price acceptable or payable
 - c. Volume for sale or purchase
 - d. Water Trading Zone
 - e. Nomination of any volume split available for the offer
 - f. Nominate the number of days that the offer is valid (maximum 28 days)

8. RULE 3 - OFFER CANCELLATION AND EXPIRY

1. Traders can cancel their offers by selecting the offer under the 'My Water' tab and clicking 'Cancel Offer'.
2. The Water Partners system will automatically remove cancelled offers from the Traderoom.
3. Traders who successfully cancel an offer will be forwarded a cancellation acknowledgement from Water Partners via email.
4. Offers will automatically expire after 28 days and will be removed from the trading screen.

9. RULE 4 – OFFER ACCEPTANCE AND FEASIBILITY

1. Registered traders may accept an offer by clicking the 'Accept Offer' button opposite the relevant offer.
2. Once an offer has been accepted, the trader who has accepted the offer will be asked to complete their trading information to ensure the trade is feasible.
3. Once the information has been completed, a feasibility check will be carried out to confirm the trade is eligible – this will be instantaneous.
4. If there are any feasibility issues, a screen will open immediately to inform the trader of any issues.
5. If feasibility is successful, the accepted offer will be removed from the trading screen.
6. Offer owners and successful traders will be notified by email once feasibility has been approved. This email will include an invoice for the purchaser.
7. Purchasers must pay the full amount of the trade within 48 hours

8. Purchasers who have taken more than 48 hours to pay will be subject to Water Partners Debtor Policy.

10. **RULE 5 – ISSUE RESOLUTION**

1. Offers that do not pass feasibility will be referred back to traders to resolve and will not be submitted for approval at the Water Register.
2. Water Partners will contact customers and attempt to resolve issues.
3. If issues are resolved, offers must be resubmitted for feasibility checking before lodgement for approval at the Water Register

11. **RULE 6 – LODGEMENT AND SETTLEMENT**

1. Buyers will be required to pay the full amount payable for the water, including the Water Partners commission, buyer fee, and Water Authority fee (where applicable).
2. Water Partners will ensure all required documentation has been received before trade applications will be lodged.
3. Water Partners will lodge all trades where payments have been made to the Victorian Water Register Broker Portal for processing.
4. Payments will not be made to sellers until Water Partners has been informed that an application has been approved.
5. Payments made to water allocation sellers by electronic funds transfer may take up to 5 days to be paid from the day of approval by the Victorian Water Register.

TRADE ROOM - PERMANENT

12. **HOW THE PERMANENT TRADE ROOM WORKS**

The Trade Room is a system whereby registered traders lodge offers to buy and sell via authenticated website login. Once an offer is lodged it becomes 'live' and can be accepted by other registered traders resulting in the instant matching of trades.

The Trade Room will list available sell lots in ascending order, and available buy lots in descending order, based on their unique offer number. Traders will outline the ML they wish to buy, or sell, together with the price per ML they are willing to pay or accept. The trader will also have the option of accepting offers on a portion of their offer volume. The prices will be fixed.

Sellers agree that their offer will be exclusively listed with Water Partners for 90 days after which time the exclusivity may be renegotiated by the Seller and Water Partners.

If a 'live' offer is accepted, it will be removed from the trading screen and the successful trader will be notified that their offer has been accepted. Traders (both buyer and seller) will be contractually bound to complete a trade once an offer is accepted.

13. HOW TO PARTICIPATE IN THE PERMANENT TRADE ROOM

To participate in Water Partners Traderoom, all traders must first be registered members or traders with Water Partners.

For those traders who are not familiar with the internet, Water Partners (Aust) Ltd will offer to complete the registration over the phone or in person. The necessary evidence of entitlement ownership will still be required.

Traders will need to upload their offers to include all requested information. Once they have approved their offer, it will become 'live', and available for viewing by all potential traders. Only registered traders can accept an offer on the Trade Room.

All steps are put in place to protect the privacy of all traders and Water Partners will ensure traders' identities remain confidential at all times.

Refer to How to Trade – Permanent on our Website

14. PAYMENTS

Buyers of Permanent Entitlement will be required to pay a deposit of 10% of the entitlement value upon acceptance of an offer to Water Partners (Aust) Ltd. The deposit will be held in a specifically dedicated bank Holding account. Payment, to Water Partners (Aust) Ltd, for the balance of the trade will be required once approval, for the trade, has been received from the appropriate Water Authority. This final payment will also be held until Settlement.

Water Partners will process payment to the seller within seven days of Settlement.

15. SCHEDULE OF ACTIONS

Action	Timeline
Offers Lodged	Live
Cancellation of Offers Lodged	Live (unless offer accepted)
Offer Acceptance	Live
Information about trades on the website (www.waterpartners.org.au)	Live
Contracts and Trade Application Forms Completed	Within seven days of the offer match.
Water Partners (Aust) Ltd staff check accounts to confirm deposits received from buyers	Daily

Lodgement of Trade to the Appropriate Water Authority for Approval	Within two working days of receipt of the correctly completed Application Form and Contract.
Payments made to sellers	On Lodgement of Water Share transfer at the Water Register- Settlement.
Traders' online offer information is updated to reflect trades successfully matched	Live
Payment by buyers	10% deposit within 7 Days of Trade match. Balance due 10 days from Invoice.

TRADE ROOM – CARRYOVER TRADEROOM

16. HOW THE CARRYOVER TRADE ROOM WORKS

The Carryover Trade Room is a system whereby registered traders lodge offers to buy and sell Carryover Space via our authenticated website login. Once an offer is lodged it becomes 'live' and can be accepted by other registered traders resulting in the instant matching of trades.

In the Carryover Traderoom, the traders selling or renting their space will list Space Available offers and be known as the Facilitator. Traders looking the buy or rent space will list a Space Wanted Offer and be known as the Owner.

The Traderoom is designed to conduct a feasibility test on each Space Wanted offer to test if the volume of water is available to match the Space being purchased. This would ensure the transfer and sale could proceed efficiently. In the situation where an Owner is looking to purchase available Space but does not yet hold the required water volume, the Water Partners staff can list the offer manually. This allows the Owner to secure Space before committing to the water purchase.

The Trade Room will list Space Available lots in ascending order, and Space Wanted lots in descending order, based on their unique offer number. Traders will outline the ML of Space they wish to buy, or sell, together with the price per ML they are willing to pay or accept. The trader will also have the option of accepting offers on a portion of their offer volume. The prices will be fixed.

Facilitators agree that their offer will be exclusively listed with Water Partners (Aust) Ltd for a period of up to 120 days after which time the exclusivity may be renegotiated by the Facilitator and Water Partners.

If a 'live' offer is accepted, it will be removed from the trading screen and the successful trader will be notified that their offer has been accepted. Traders (both Facilitator and Owner) will be contractually bound to complete a trade once an offer is accepted.

17. HOW TO PARTICIPATE IN THE CARRYOVER TRADE ROOM

To participate in Water Partners Traderoom, all traders must first be registered members or traders with Water Partners.

For those traders who are not familiar with the internet, Water Partners (Aust) Ltd will offer to complete the registration over the phone or in person. The necessary evidence of entitlement ownership will still be required.

Traders will need to upload their offers to include all requested information. Once they have approved their offer, it will become 'live', and available for viewing by all potential traders. Only registered traders can accept an offer on the Traderoom.

All steps are put in place to protect the privacy of all traders and Water Partners will ensure traders' identities remain confidential at all times.

Refer to ***How to Trade – Carryover*** on our Website

18. PAYMENTS

Buyers of Carryover Space will be required to pay in full within 48 hours to secure the trade. **Schedule of Actions**

19. SCHEDULE OF ACTIONS

Action	Timeline
Offers Lodged	Live
Cancellation of Offers Lodged	Live (unless offer accepted)
Offer Acceptance	Live
Information about trades on the website (www.waterpartners.org.au)	Live
Feasibility checking of accepted offers	Live
Resolution of issues identified in the feasibility check	Daily
Water Partners staff check accounts to confirm payments received from buyers	Daily
Lodgement of Form 39 to Water Register	Daily upon receipt of buyer's payment.
Payments made to sellers	Daily upon receipt of buyer's payment and successful approval of the trade via Water Partners Auto Lodgement system.

Traders' online offer information is updated to reflect trades successfully matched	Live
Payment by buyers	Within 48 hours of offer acceptance.