



The following are the terms and conditions (**DE Terms**) that underpin the permanent trade of General Security Delivery Entitlement (here after referred to as **DE**) on CICL's trading Platform (**WaterMart**). Users should note that these DE Terms may be amended from time to time and should review them every time they use the Platform. By using the Platform, Users accept these DE Terms and acknowledge that all Trades of DE are subject to these DE Terms.

Those wishing to permanently trade High Security Delivery Entitlement are advised to contact the Company Secretary, as these trades will be conducted off this Platform.

Capitalised terms not otherwise defined in this document have the meaning defined in the Terms and Conditions for the trading of water Products on WaterMart (**WaterMart Terms**).

Acknowledgments

You acknowledge and agree that:

- a) You and WaterMart are bound at the time of your Trade by the WaterMart Terms and DE Terms current at the time of your Trade.
- b) The other party to your Trade will rely on You being bound by this Agreement.
- c) WaterMart does not function as either Buyer or Seller of a Product; it is merely a facilitator providing transactional facilities to Users.
- d) As a Seller you have the Product (DE) available to sell.
- e) As CICL will be required to complete the conveyancing associated with the trade, there will be an Authority fee payable of \$350.00 (including GST) to WaterMart for every approved trade - \$175.00 invoiced to the Buyer and \$175.00 invoiced to the Seller. In addition WaterMart will charge its normal commission of \$69.00 (including GST) per trade from both the buyer and the seller.
- f) No permanent transfer of DE is complete until it is approved by the Coleambally Irrigation Co-operative Limited (**CICL**) Board.
- g) The permanent Trade of DE on the Platform will be subject to the policies and processes that CICL has in place to govern the trades and transfer of DE at the time.
- h) The permanent Trade of DE may result in increases or decreases to the variable and fixed delivery charges payable by the Buyer and the Seller compared with the charges that would have been payable if the Trade had not occurred. Buyers and Sellers are responsible for any effect that a Trade may have on delivery charges and acknowledge that they have considered and accept such effects before entering into any Trade.
- i) That neither a party can withdraw from a Trade and the only basis under which the Trade can be altered is that of rejection of the Trade by CICL. In the event of rejection, neither party can make a claim against CICL.

Process

1. Buyers and Sellers are able to place an order for a Trade on the Platform in respect of DE.
2. At the time when a Buy order and Sell order in respect of DE are matched through the automated operation of the Platform, a binding contract is formed between the Buyer and the Seller for the sale and purchase of the DE on and subject to these DE Terms and the WaterMart Terms, and for the purposes of these DE Terms, a Trade occurs. CICL will be required to approve or deny the Trade with 2 working days of the Trade occurring.
3. The approval or denial will be subject to the normal CICL DE trading requirements and approval by the CICL Board.
4. Once approved by the CICL Board, the Trade must be settled within 2 working days.

Applying for approval of the Trade

Once you place an order for a Trade on the Platform in respect of a DE, you agree to provide the following, once a Trade occurs:

1. the Form 4 application, and
2. Share, Water Entitlement and DE certificates as specified by CICL – in the event there is a registered encumbrance, you may be required to provide additional information.

In the absence of the above requirements have been met, the trade documentation will not be approved by the Board.

CICL Completion Process

In processing the application CICL will:

- j) Undertake a capacity check to determine whether or not the related DE is to be classified as Tier 1 DE or Tier 2 DE.
- k) Establish whether the Member Benefit for that year is being transferred to the Buyer or staying with the Seller (this must be agreed by both parties on the Form 4)
- l) Provide an updated liability statement
- m) Request payment of the prescribed fee as per the Schedule of Standard Fees and Charges that can be found at www.colyirr.com.au under Fees and Pricing
- n) Determine whether any previously held security can either be returned to the Seller or be reduced, and in some case, request security from the Buyer.
 - a. Security for ongoing access fees will be requested where the number of DE exceeds five (5) times the number of water entitlements held – refer Rule 10 *Water Market Rules 2009*.
 - b. Security may be in the form of cash deposit, bank guarantee, or another acceptable form of security and lodged with and accepted by CICL prior to settlement.
 - c. The quantum or value of security will be equal to the termination fee that would apply to all DE, at the date of application.
- o) Submit, as the final step, details of the related transfers to its Board for final approval.

Settlement

1. Settlement of the Trade will only occur, once CICL Board approval is effective. Please note that CICL Board approval is effective the day after the Board meeting.
2. You authorise CICL and WaterMart to take all actions necessary to give effect to settlement of the Trade, including recording the Trade of the DE, issuing revised certificates in respect of the DE Traded and transferring the purchase money to the Seller. Settlement occurs once all the usual requirements for a transfer of DE have been completed to the satisfaction of CICL and WaterMart.
3. An invoice will be automatically emailed to you upon settlement and the funds debited or credited to your nominated bank account. This invoice will include any fees associated with a trade.

Rejection of a Trade

1. To the extent permitted by law, CICL reserves the right to decline any permanent Trade of DE that occurs on this Platform but will provide its reasons for doing so.
2. Any Trade that is declined will not automatically be relisted on the platform. Relisting is the responsibility of the Buyer and Seller.

Enquiries

For all enquiries or further information regarding this application, please contact the Company Secretary of Coleambally Irrigation on:

Telephone: 02 6954 4003

Email: cosec@colyirr.com.au