

# Conflict of Interest Policy – BD Water and Water Manager

[Last updated 5 January 2021]

BD Water Pty Ltd ABN 86 642 510 334 ('BD Water') is committed to taking appropriate steps to identify and manage any conflicts of interest that might arise between itself and parties using its water trading platform ('platform'). By using the platform, you consent to this Conflict of Interest Policy.

We regularly review our policies and may make changes to this policy over time. We have included a 'last updated' date above to help you keep track of any changes we make. If you have questions regarding this policy, please contact us via e-mail at: [contact@bdwater.com.au](mailto:contact@bdwater.com.au).

In this policy:

- a 'party' or 'parties' means a user of the platform or buyer or seller involved in a trade or both the buyer and the seller, as the context requires.
- 'Water trade' means an agreement to buy or sell a water allocation or licence where that agreement is entered into via the platform.

BD Water provides the platform to facilitate trading of water rights. It is not a broker and does not engage in the trading process.

This policy is made available to parties to enable them to make informed choices prior to using the platform.

Below are anticipated areas where BD Water has identified a conflict of interest or dispute may arise and the steps that will be taken by BD Water in the given scenario.

The policy is not exhaustive and unanticipated conflicts of interest can always arise. If this happens, BD Water will take appropriate steps to manage any conflict of interest.

Potential Conflict of Interest	Steps that BD Water may take
<p>A dispute or potential dispute arises between parties in a water trade.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• After a binding contract is made, a party decides not to proceed and requests that money paid into the BD Water account be refunded.</li> <li>• After a binding contract is made, a party deals with the water licence or allocation in a manner that prevents settlement.</li> <li>• BD Water becomes aware of a potential serious risk to a party involved in a</li> </ul>	<p>BD Water does not represent either party in a water trade.</p> <p>On occasion, BD Water may assist one or more parties to use the platform (for example by making bids on their behalf where they are unable to access a computer) however this does not mean that BD Water in any way represents that party.</p> <p>If a dispute arises between parties regarding any part of the transaction (including settlement, payment or release of funds), BD Water may require both parties to appoint their own independent solicitor within 14 days of being requested to do so by BD Water, and to nominate an escrow account or solicitor trust account for funds paid to be held pending resolution of the dispute.</p> <p>If BD Water receives notice of a dispute from either party, BD Water may:</p> <ul style="list-style-type: none"> <li>• Disclose to each party the full name and address of the other party(s) involved in the water trade together with the water licence number or other relevant information.</li> <li>• Transfer the funds it holds (less any commission, transaction fee or</li> </ul>

<p>water trade.</p> <p>Note: BD Water accepts no liability for, and will not become involved in, disputes between parties.</p>	<p>stamp duty due to BD Water or the relevant Government department) to:</p> <ol style="list-style-type: none"> <li>1. The buyer’s solicitor’s trust account; or</li> <li>2. If the buyer does not appoint a solicitor within 14 days, the seller’s solicitor’s trust account; or</li> <li>3. If neither party appoints a solicitor within 14 days, an escrow account nominated by the parties; or</li> <li>4. If the parties fail to nominate an escrow account, the account of a reputable escrow provider.</li> </ol> <p>All escrow costs will be borne by the buyer and seller in equal shares.</p> <p>BD Water will advise the holder of transferred funds that they are being delivered on the basis that they cannot be released to any party unless the parties consent in writing to the release of funds, or the holder is directed by a court to release those funds.</p> <p>Once BD Water has completed the above steps, BD Water will have no further obligations in relation to the dispute.</p> <p>If BD Water reasonably believes there is a potential serious risk to any party in a water trade, BD Water reserves the right, without being obliged to do so, to undertake the same steps as above.</p>
<p>BD Water has confidential or other knowledge about a water trade or party identity that it reasonable believes would, if disclosed to another party, likely cause that other party to withdraw from the water trade.</p>	<p>If BD Water becomes aware of a problem during due diligence that affects the water allocation or licence (for example part of the allocation that forms the water trade is not available for use), BD Water will disclose this information to both parties to the trade. Any dispute arising will be dealt with by BD Water using the same steps as above.</p> <p>However, if BD Water is aware (or becomes aware) of information that does not affect the water licence or allocation but may affect how the parties view the transaction, BD Water is not required to disclose this information. For example, this could include the party identities or previous offers on the allocation, including price.</p> <p>Both parties enter a water trade via the platform on the understanding that the other party’s identity will not be disclosed until after completion. BD Water accepts no liability if a party to a trade is upset or suffers loss due to the undisclosed identity of the other party including any past interactions or bidding.</p>
<p>BD Water assists a party to use the water trading platform and a dispute arises between the parties in a trade.</p>	<p>In limited circumstances, BD Water may assist a party to use the platform. Assistance will be limited to coaching on how to use the platform, or data entry of information into the platform. No advice will be offered or supplied regarding the commercial terms of the water trade, the suitability of the water trade or the party’s intended use of the platform. Even if BD Water offers assistance, BD Water does not represent that party in any manner and if a dispute arises between parties in a trade, the process set out above will apply.</p>
<p>BD Water assists a party to use the water trading platform and an error is included in the water trade details.</p>	<p>BD Water will use reasonable efforts to accurately follow instructions of a party it is assisting however, unless BD Water is shown to be intentionally negligent, BD Water is not responsible for any harm caused to a party arising from the assistance of BD Water.</p>