

H₂O_X

Membership Rules

Version 3.0



PART A – EFFECT OF THESE RULES AND MEMBERSHIP

1. Effect of These Rules

These Rules have effect as a binding contract under seal between H2OX and each Member; and as a continuous trading contract between, each Member and each other Member, under which:

- (i) each Member agrees to observe and to engage in the conduct required by the Rules; and
- (ii) H2OX agrees to observe and to engage in the conduct required by the Rules and pursuant to Applicable Water Laws.

1.1 Each Member agrees to be legally bound by these Rules and acknowledges and agrees that these Rules:

- (a) are legally binding;
- (b) govern the use of the H2OX Trading Platform by each Member; and
- (c) govern the relationships between H2OX and each Member and between each of the Members.

1.2 The Rules provide that the H2OX Trading Platform may be used by an Independent Trading Member (ITM) to place Sales Listings and Purchase Orders on its own behalf and to effect Water Trades.

Relationship with other H2OX documents

1.3 These Rules must be read in conjunction with the following H2OX documents as in force from time to time:

- (a) For broker members only, the Broker Member Agreement;
- (b) ITM Agreement;
- (c) Privacy Policy;
- (d) Fee Schedule; and
- (e) for Permanent Water Trades only, the H2OX Water Rights Trade Agreement.

1.4 Unless expressly stated to the contrary, to the extent of any inconsistency between these Rules and the terms of any H2OX document listed in clause 3, these Rules prevail.

2. Amendments to the Rules

- 2.1 H2OX may, at its absolute discretion, change these Rules, including any H2OX Fees, at any time by giving Members no less than five (5) Business Days written notice.
- 2.2 During the notice period the current version of the Rules remains in effect.
- 2.3 If a Member attempts a Water Trade following the expiry of the notice period, the Member is deemed to have accepted the amendments.
- 2.4 These Rules cannot be amended verbally and any changes must be in writing, signed by a director of H2OX and published by H2OX on the Exchange Site.

3. Becoming a Member

Independent Trading Member (ITM)

- 3.1 In order to become an ITM and participate on the H2OX Trading Platform, an applicant must:
 - (a) meet the ITM Criteria;
 - (b) enter into the ITM Agreement; and
 - (c) satisfy the conditions precedent to membership specified in the ITM Agreement.

Broker client member

- 3.2 In order to become a Broker Client Member and participate on the H2OX Trading Platform, an applicant must:
 - (a) meet the Broker Client Member Criteria;
 - (b) enter into the Broker Client Agreement; and
 - (c) satisfy the conditions precedent to membership specified in the Broker Client Agreement.

4. Authorised Representatives

- 4.1 Each ITM must appoint an Authorised Representative to effect Water Trades.
- 4.2 It is the sole responsibility of the ITM to ensure that any Authorised Representative complies with these Rules and all relevant laws.

- 4.3 The ITM is liable for all acts and omissions of the Authorised Representative.

5. Login Username and Password

- 5.1 Subject to the remainder of this clause, each ITM will be provided with their Login Details after it has complied with clause 3.1.
- 5.2 All Relevant Personnel associated with an ITM will be given their own Login Details which will be linked to the ITM's Trading Account.
- 5.3 Each ITM shall not and shall use its best efforts to ensure that its Relevant Personnel will not share their Login Details with others, and will notify H2OX immediately if it knows or suspects that the confidentiality or security of such credentials has been compromised.

6. Representations and Warranties

- 6.1 Each Member represents and warrants that, from the date that it accesses the H2OX Trading Platform or agrees to these Rules (whichever is the earlier) until the expiry or termination of the Member's membership:
- (a) it has the legal capacity to agree to and be bound by these Rules;
 - (b) it is not and has not been the subject of an Insolvency Event;
 - (c) the data that it provides, or that is provided by its Authorised Representatives or Relevant Personnel on all Sales Listings and Purchase Orders on the H2OX Trading Platform is true and correct.
 - (d) it will maintain the Bank Account nominated in its Membership Application or any payment method that H2OX agrees from time to time, or advise H2OX immediately upon any changes to that Bank Account;
 - (e) it will only act in its own capacity and on its own behalf in its use of the H2OX Trading Platform;
 - (f) As a selling Member:
 - (i) it has the legal and beneficial title to the H2OX Water Product that it lists for sale on the H2OX Trading Platform;

- (ii) the number of Water Access Entitlements subject to any H2OX Water Rights Trade Agreement are recorded on their Water Right, or on a Water Entitlement Certificate and are available for sale as at the date that a Water Trade is Matched and again when the H2OX Water Rights Trade Agreement is executed and any Transfer is settled;
- (iii) the Allocation the subject of the Sales Listing is held by them in the relevant Allocation Account and is available for sale as at the date that a Water Trade is Matched and again when and any Transfer is completed;
- (iv) it has or will obtain all necessary consents and Releases (except for the approval of the Relevant Registrar) to effect a Permanent Water Trade; and
- (v) it will transfer the Water Rights free of any Encumbrances; and
- (g) As a purchasing Member it has sufficient funds to settle a Water Trade executed on the H2OX Trading Platform by the Settlement Date.

7. Conduct and Behaviour on the H2OX Trading Platform

- 7.1 Members will at all times observe the general principles of honesty, integrity and good conduct whilst conducting business on the H2OX Trading Platform and will refrain from using any procedures or techniques which intentionally mislead other Members and or reduce, influence or impair the liquidity and price of the Water Rights and Allocations traded on the H2OX Trading Platform.
- 7.2 Subject to Rule 1(ii), H2OX may take any action it considers necessary to ensure that the H2OX Trading Platform is fair, orderly and transparent, including:

- (a) rejecting one or more Sales Listings or Purchase Orders or other electronic messages submitted to H2OX or entered into the H2OX Trading Platform;
- (b) suspending or halting trading on all or part of the H2OX Trading Platform;
- (c) directing any Member to take, or not to take, specified action in connection with the H2OX Trading Platform; or
- (d) modifying, restricting or suspending access by one or more Member to all or part of the H2OX Trading Platform in accordance with clause 8.

8. Changes to Membership Status and Suspension

8.1 Members must inform H2OX immediately of any changes to any of the information or documentation provided to H2OX, and in particular changes to any of the following:

- (a) the sale of any Water Rights or Allocation listed on the H2OX Trading Platform that occur outside the H2OX Trading Platform for any reason;
- (b) closure, termination or unavailability of their nominated Bank Account;
- (c) the withdrawal or modification of a selling Member's Water Rights or Allocation;
- (d) any suspension or cessation of the Member's business operations; and/or
- (e) an Insolvency Event occurs;
- (f) criminal charges are laid against the Member; or
- (g) legal proceedings are commenced against the Member that would materially affect its standing as a fit and proper member;

Grounds for, and consequences of, Suspension

8.2 H2OX may temporarily suspend the Member's Login Details, access to the H2OX Trading Platform, and/or the respective Members ability to deal with any Water Rights, Allocation or funds held in the H2OX Water Market Trust Account if H2OX forms a reasonable belief that:

- (a) the Member has failed to comply with these Rules;

- (b) any Water Right or Allocation listed by or on behalf of the Member are reasonably suspected to have been fraudulently created or issued illegally;
- (c) any Member activity is considered to be fraudulent, Authorised Representative or Relevant Personnel;
- (d) any Water Rights or Allocation listed by a Member are subject of, or become the subject of a dispute;
- (e) the Member, Authorised Representative or a Relevant Personnel is acting in a manner which, in the reasonable opinion of H2OX, is likely to bring the H2OX Trading Platform into disrepute; and/or
- (f) an Insolvency Event occurs.

8.3 While a Member's status to the H2OX Trading Platform and/or account is temporarily suspended the relevant Member will have no right to trade any Water Rights or Allocation on the H2OX Trading Platform and H2OX may freeze any payments that may be owing to the Member.

8.4 H2OX will use its best endeavours to determine whether to re-activate a Member's status or to terminate its H2OX Licence within thirty (30) Business Days of the Member being suspended in accordance with the procedures outlined below in Clauses 8.5, 8.6 and 8.7, but reserves the right to extend the period of suspension in its absolute discretion.

Review of Suspension

8.5 Upon notification by H2OX of its temporary suspension, the Member will have fifteen (15) Business Days to show cause in writing to H2OX as to why the Member should not be permanently suspended from the H2OX Trading Platform by directly addressing the issue which gave rise to the suspension.

8.6 If within the fifteen (15) Business Day period, H2OX is reasonably satisfied that the circumstances giving rise to such suspension no longer apply, H2OX may reactivate the Member's status to active and allow relevant Member to recommence Water Trades

- 8.7 If, following the expiration of the fifteen (15) Business Day period the Member fails, to the satisfaction of H2OX, to provide a satisfactory response to the cause of the suspension, H2OX may, in its absolute discretion, exercise one or more of the following rights:
- (a) permanently suspend the Member from the H2OX Trading Platform;
 - (b) suspend the Member's Trading Account for a further fifteen (15) Business Days to allow the Member further time to provide its written response.

Disputed Listings

- 8.8 Any dispute in relation to the ownership of Water Rights or Allocation is between the Irrigation Infrastructure Operator, Registrar or Water Authority as the case may be and the Member is to promptly follow the dispute resolution procedure of the respective Irrigation Infrastructure Operator or Registrar or Water Authority.
- 8.9 For the avoidance of doubt, in the event that a Sales Listing or a Water Trade on the H2OX Trading Platform is found to be fraudulent or illegal, H2OX reserves the right to refer the matter to the appropriate government, and/or legal authorities.

9. Payment of Fees

- 9.1 All H2OX Fees constitute payments for services rendered by H2OX.

ITM Fees and Charges

- 9.2 The Member will be liable for any and all Fees incurred as a result of use of the Member's Login Details.
- 9.3 Fees may be withdrawn directly from the H2OX Water Market Trust Account and may be paid to an account held by H2OX or its Related Bodies Corporate, including, without limitation, Xpansiv Limited (ACN: 610 645 148).

PART B - USE OF THE H2OX TRADING PLATFORM

10. Details of the H2OX Trading Platform and Water Trades

- 10.1 ITMs and Broker Members will be able to view the H2OX Trading Platform, which will contain the following information for offers in respect to Water Rights or Allocations:
- (a) the proposed quantity and Price of all current Sales Listings and Purchase Orders; and
 - (b) the quantity, Price and time of execution of the recent Water Trades for each type of H2OX Water Product listed as a Pending Water Trade.

11. H2OX Trading Platform and Exchange Site Opening Hours

- 11.1 Subject to Rule 11.2, the H2OX Trading Platform and Exchange Site will be available for trading 24 hours a day, 7 days a week. Certain parts of the operational systems of the H2OX Trading Platform required to complete a Water Trade may, however, only be available during the Business Day hours determined by H2OX or as published on the Exchange Site.
- 11.2 H2OX is entitled to suspend or temporarily restrict access to the H2OX Trading Platform without notice in the event that:
- (a) there is a major announcement that would materially affect the value of Water Trades;
 - (b) any changes to Applicable Water Laws are announced or are about to be;
 - (c) the H2OX Trading Platform experiences IT and technical problems;
 - (d) the H2OX Trading Platform requires maintenance or upgrades; and/or
 - (e) if it seems fit or advisable to ensure that a fair and orderly market can be maintained.

11.3 H2OX will inform the Members of any suspension or temporary restriction and the expected date of resumption of the H2OX Trading Platform promptly by providing written notice to the Member. For the avoidance of doubt, H2OX will not be liable for any Loss or damages suffered by the Members as a result of such suspension or temporary restriction.

12. Trading on the H2OX Trading Platform

- 12.1 An ITM may use the H2OX Trading Platform to place Sales Listings and Purchase Orders with the intention of conducting both Permanent Water Trades and Temporary Water Trades on their behalf only.
- 12.2 Sales Listings and Purchase Orders are sent via Electronic Link by the ITMs, Authorised Representatives or Relevant Personnel to the H2OX Trading Platform, where they are listed on the H2OX Trading Platform to be Matched and executed.
- 12.3 Each ITM is responsible for, and guarantees the accuracy and correctness of, the figures, information, and data that they, their Authorised Representatives or Relevant Personnel inserts on all Sales Listings and Purchase Orders on the H2OX Trading Platform.
- 12.4 All Sales Listings and Purchase Orders will remain open in the H2OX Order Book until they are removed in accordance with the provisions of these Rules or the Sales Listing or Purchase Order expires in accordance with Rule 12.10.
- 12.5 All Sales Listings and Purchase Orders will be deemed by H2OX to have indisputably originated from a Member when the Login Details of that Member or their Authorised Representatives or Relevant Personnel are used to access the H2OX Trading Platform.
- 12.6 H2OX is not responsible or obliged to verify the accuracy and correctness of the figures until a Water Trade is Matched and H2OX undertakes a search of the Water Right in the event of a Permanent Water Trade.

12.7 H2OX is not responsible or obliged to verify the accuracy and correctness of the figures, information, and data contained in any Sales Listing or Purchase Order entered on the H2OX Trading Platform by a Member, their Authorised Representatives or Relevant Personnel in the event of a Temporary Water Trade.

12.8 A Sales Listing can be withdrawn at any time before it is Matched by a Member, their Relevant Personnel or the relevant Authorised Representative, however, it cannot be cancelled once it has been Matched.

12.9 If a Sales Listing does not comply with any provisions of these Rules, H2OX may cancel that Sales Listing at any time before it is Matched.

12.10 An ITM or Broker Member may select an appropriate expiry date at the time of submitting the Sales Listing or Purchase Order.

13. Process for Listings and Water Trades

13.1 The procedures for listing Sales Listings and Purchase Orders is published on the Exchange Site.

14. Default on Water Trades

14.1 If either the selling Member or purchasing Member defaults in the observance or performance of any obligation under these Rules, which is (or the performance of which has become) essential, the non-defaulting Party will be entitled by notice in writing served on the defaulting Party to terminate the H2OX Water Rights Trade Agreement and to thereafter sue the defaulting Party for breach of contract. Notwithstanding anything to the contrary, and to the maximum extent permitted by law, H2OX shall have no liability to either the selling Member or Purchasing Member in case of a default in the observance or performance of any obligation under these Rules.

14.2 Each Member acknowledges and agrees that notwithstanding any other right which a selling Member or purchasing Member may have at law or in equity, if a selling Member or purchasing Member fails to achieve Settlement by the Settlement Date, the selling Member or purchasing Member (as applicable) will be liable to pay the difference in Price (if any) of the purchasing Member in acquiring alternative Water Rights or Allocations along with the purchasing Members Costs as a result of entering into the failed transaction.

15. Rejection of a Transfer Application

15.1 If, without fault on the purchasing Member's part, the Registrar or Irrigation Infrastructure Operator refuses to approve the Transfer Application, H2OX will use reasonable efforts to resolve the refusal and the purchasing Member and Selling Member agree to cooperate as reasonably requested. However, if in the sole opinion of H2OX, the basis of the determination to reject the Transfer Application cannot be cured, then:

- (a) in relation to a Permanent Water Trade, either Party may, by notice in writing served on the other and copied to H2OX, rescind the H2OX Water Rights Trade Agreement and neither Member will, thereafter, have any legal obligation to the other in respect to the H2OX Water Trade Agreement and H2OX will return the funds paid by the purchasing Member; or
- (b) in relation to a Temporary Water Trade, the Water Trade will be deemed to have failed and H2OX will return the funds paid by the purchasing Member.

16. Reversals

16.1 To the extent legally permissible, H2OX reserves the right to, or to procure that a Broker Client Member or ITM, reverse or resubmit Transaction Documents with the intention of reversing, a Water Trade in circumstances where:

- (a) the Water Right or Allocation listed by or on behalf of the Member, and being the subject of a proposed Water Trade is reasonably suspected to have been fraudulently created or issued illegally;
- (b) in its opinion, it is required to do so by court order or otherwise by law;
- (c) the selling Member is reasonably suspected not to have full legal and/or beneficial legal title to the H2OX Water Product listed on behalf of the Member;
- (d) the purchasing Member is deemed to have insufficient funds to complete the Water Trade; and/or
- (e) H2OX believes, in its sole discretion, that processing the Water Trade would bring the H2OX Trading Platform into disrepute.

16.2 Where a purchasing Member has accessed all or part of an Allocation prior to a reversal or resubmission being processed by a Registrar or Water Authority, the purchasing Member shall do all things necessary to re-credit an equivalent Allocation to the selling Member.

17. H2OX Water Market Trust Account / Direct Debit / Bpay options

17.1 H2OX will maintain the H2OX Water Market Trust Account to facilitate Water Trades on the H2OX Trading Platform.

17.2 A Member may maintain a balance in the H2OX Water Market Trust Account in respect to anticipated future Water Trades, which must be settled as soon as practicable by the Member. H2OX may require settlement of the balance or to remit the balance to the Member by providing 2 Business Days' notice to the Member.

17.3 No interest is earned on the H2OX Water Market Trust Account by virtue of the nature of the account.

Temporary Water Trades

17.4 Funds may be credited to the H2OX Water Market Trust Account by Bpay upon receipt of an invoice and Bpay details for a Temporary Water Trade, or where the Member agrees to have the funds debited from their Bank Account by Direct Debit to the H2OX Water Market Trust Account.

- 17.5 Cleared funds must be in the H2OX Water Market Trust Account or Direct Debit instructions sent to the ITM's Bank Account before H2OX will process a Matched Temporary Water Trade. If Direct Debit instructions are sent, cleared funds need to be received within three (3) Business Days of a Matched Temporary Water Trade. If cleared funds are not received within three (3) Business Days of a Matched Temporary Water Trade that Member will be deemed a Defaulting Party.

Permanent Water Trades

- 17.6 H2OX will notify the relevant Member of the determination or approval of the Water Authority or Registrar by the provision of a Settlement Statement.
- 17.7 The selling Member must provide their Settlement Directions within three (3) Business Days of receipt of the Settlement Statement.
- 17.8 The purchasing Member must transfer the remainder of the Water Trade Consideration to the H2OX Water Market Trust Account within three (3) Business Days of receipt of the Settlement Statement. If the Member fails to make this payment on time, the relevant ITM or Broker Client Member will be deemed a Defaulting Party.

18. Registered Financial Interest Holders/Handling of Water Products

- 18.1 Where a Water Right is subject to a registered Encumbrance, other than a mortgage, the Member will seek the consent of each Registered Interest Holder prior to placing a Sales Listing and provide a copy of the consent to H2OX.
- 18.2 The Member will provide H2OX with the Registered Interest Holder Authority to allow, to the extent permissible by law, H2OX to communicate with and deal with the Registered Interest Holder on the Members behalf.
- 18.3 H2OX acknowledges that the Member may not require the consent of the Registered Interest Holder under their mortgage or other security document when executing Temporary Water Trades.

- 18.4 To ensure the efficiency of the system the selling Member will use its best endeavours to obtain possession of the original Water Right, or otherwise arrange for its release to H2OX where it will be held in escrow pending Settlement of any Permanent Water Trade.

- 18.5 On receipt of the original Water Right, H2OX will acknowledge receipt and store the document in safe custody until further direction, including but not limited to a direction to settle a Water Trade.

- 18.6 Where a selling Member requests the return of an original Water Right the request must be made in writing.

- 18.7 The selling Member will request the relevant discharge document within three (3) Business Days of placing a Sales Listing.

- 18.8 The purchasing Member will prioritise payment to the Registered Interest Holder, for the amount sought by the Registered Interest Holder on Settlement, with such funds to be paid prior to or on the Completion Date.

19. Unregistered Interest Holders

- 19.1 A Member will disclose to H2OX the name of any unregistered interest holder or Beneficial Owner of the Water Right or Allocation who is not named on the Water Right.

- 19.2 A Member has a continuing obligation to disclose to H2OX the details of any Party who may claim to hold an unregistered interest in the Water Right or any Allocation and the details of the claimed interest.

- 19.3 If H2OX receives notification that an unregistered interest has been claimed it will suspend any Sales Listing pending clarification of the interest.

PART C - GENERAL TERMS AND CONDITIONS

20. Data and Privacy

The Exchange Site and the H2OX Trading Platform

- 20.1 Electronic information storage in the Exchange Site and the H2OX Trading Platform will be on secure computers and information will be encrypted wherever possible. H2OX shall retain records for at least six years or a longer period if required under applicable law.

Privacy

- 20.2 Personal Information about any individual will be maintained in accordance with the Privacy Policy as published on the Exchange Site.

21. Intellectual Property

- 21.1 Each Member acknowledges and agrees that the Intellectual Property of H2OX, including, without limitation, all rights, title and interest in the Intellectual Property in the H2OX Trading Platform, the H2OX Trading Zone Matrix and the Exchange Site remains the property of H2OX (or, to the extent applicable, a Related Body Corporate of H2OX) and that no Member has any rights, title or interest in any Intellectual Property owned by H2OX, including, without limitation, the H2OX Trading Platform or the Exchange Site.
- 21.2 Other than with H2OX's express written permission, reproduction of part or all of the contents in any form of the H2OX Trading Platform or Exchange site is prohibited and may not be copied or shared with a third party.

- 21.3 H2OX receives transaction data and related information from Members in connection with Water Trades on the H2OX Trading Platform. H2OX shall own all rights, title and interest, database rights and trade secret rights in and to all such transaction data and related information. H2OX has the exclusive right to copy, use, modify, distribute, display, license, sub-license, disclose and sell anonymized trade data and derivative works based thereon in any manner, media and jurisdiction. Members shall not use or redistribute market data or create, use or distribute derivative works unless licensed in writing under terms and conditions established by H2OX or its Related Bodies Corporate. H2OX has the right to audit a Member's use of market data pursuant to this rule. H2OX shall provide the Member with at least thirty (30) days' advance notice of any requirement for audit. Such audit shall be conducted at each Member's expense, during regular business hours on Business Days at the Member's offices and in such a manner so as not to interfere with the Member's normal business activities. H2OX and/ or its designated auditors shall adhere to the Member's customary security and safety policies while onsite at the Member's offices. The confidentiality provisions of these Rules shall apply to the extent that audited information includes confidential information.

22. Waiver

- 22.1 Subject to Applicable Water Laws, H2OX may relieve a Member from the obligation to comply with a provision of these Rules, either generally or in a particular case, category or specific Transaction, and either unconditionally or subject to such conditions as H2OX thinks fit.

23. Taxes

- 23.1 Members are liable for all Stamp Duty and other taxes or duties that may arise in respect of any Water Trade to which they are a party or any services provided by H2OX under these Rules. Members will indemnify H2OX against liability for any taxes or duties so arising under this Rule and H2OX may set off any applicable taxes against any monies owed by H2OX to the Member.

- 23.2 All fees and any other costs due in accordance with these Rules are, unless expressly stated otherwise, exclusive of taxes.
- 23.3 If any tax is or will be payable on a supply made by the H2OX under or in connection with these Rules that is exclusive of taxes:
- (a) the consideration otherwise provided for that supply is increased by the amount of that tax; and
 - (b) the recipient of the supply must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided, subject to the issue of a tax invoice.
- 23.4 The right of a Member to recover any amount of tax from H2OX is subject to:
- (a) the Member first providing evidence (satisfactory to H2OX) that the Member is registered for (or otherwise obligated to pay) that tax and that the Member can only recover the amount of the tax from H2OX; and
 - (b) the Member issuing the relevant tax invoice or adjustment note to H2OX within one (1) month of the Member's liability to that tax arising.
- 23.5 Each Member indemnifies H2OX and its employees, officers, agents and contractors for any loss or damage suffered and any obligations, claims or penalties that arise directly or indirectly as consequence of the Member's misuse of the H2OX Trading Platform for a tax purpose.
- 24.2 All information and materials provided by H2OX are presumed to be accurate, however, H2OX makes no warranty for the accuracy, reliability, completeness, currency or continuous supply of information on the H2OX Trading Platform and Exchange Site and is not liable for any error or omission therein.
- 24.3 H2OX is not responsible for any damage to computer systems or loss of any data that may result from access to the H2OX Trading Platform or Exchange Site.
- 24.4 The H2OX Platform and Exchange Site is provided on an "as is" basis, and each Member's use of the H2OX Trading Platform and Exchange Site is at its own risk. H2OX does not make, and hereby disclaims, any and all other express or implied warranties, including, but not limited to, warranties of merchantability, fitness for a particular purpose, non-infringement and title, validity Water Products and any warranties arising from a course of dealing, usage, or trade practice. H2OX does not warrant that the services will be uninterrupted, error-free, or completely secure, or that the provision of H2OX Trading Platform will always be executed without human error or omissions.
- 24.5 To the extent permitted by law, each exclusion and limitation in this Rule 24 extends to every Related Body Corporate of H2OX and every employee, agent, officer or contractor acting for or on behalf of H2OX or a Related Body Corporate as if a reference to H2OX included a reference to each of them. The benefit of any limitation or exclusion under this Rule 23 in favour of any person other than H2OX under this Rule 23 is held by H2OX for the benefit of those other persons and H2OX may enforce that benefit on their behalf.

24. Limitation of Liability and Disclaimers

- 24.1 To the maximum extent permitted by applicable law, H2OX, its Related Bodies Corporates and each of their officers, directors, employees, agents, consultants or licensors will not be liable for any damage, whether direct, indirect, special or consequential, or Loss of profits suffered by a Member, their respective Authorised Representatives, Relevant Personnel as a result of any use of the H2OX Trading Platform, whether a claim arises in contract, tort, negligence, strict liability, contribution or otherwise and whether the claim is brought directly or as a third-party claim.

25. Indemnity

- 25.1 To the extent permissible by law, each Member agrees to indemnify, defend and hold harmless, each of H2OX, its Related Bodies Corporate and H2OX and H2OX Related Bodies Corporate's employees, agents, officers and representatives from and against all proceedings, actions, claims, demands, Losses (including any decrease in the value of a Water Trade, whether or not realised), liabilities, damages, costs and expenses which may be made or brought against or suffered or incurred by H2OX and H2OX's employees, agents, officers or representatives, and arising directly or indirectly out of or in connection with these Rules.

26. Force Majeure

- 26.1 Neither H2OX nor any Member will be liable for any failure or delay in the performance of obligations under these Rules if that failure or delay is due to a Force Majeure Event.

27. Disciplinary Actions and Sanctions

- 27.1 If H2OX determines in its discretion that a Member has contravened these Rules, it may, by notice to the Member, impose one or more of the following sanctions:
- (a) a written warning;
 - (b) the suspension or restriction of access to the H2OX Trading Platform in accordance with clause 8;
 - (c) termination of Membership in accordance with clause 29; or
 - (d) disgorgement of any profit arising from the contravention of the Rules.

28. Dispute Resolution

- 28.1 Either Party may commence negotiations to resolve any dispute arising in connection with these Rules (including any question regarding their existence, validity or termination) by giving the other Party written notice of any dispute not resolved in the normal course of business (the Dispute Notice).

- 28.2 The Parties will attempt in good faith to resolve any dispute promptly by negotiation between executives authorised to resolve such disputes.

- 28.3 If the dispute has not been resolved by negotiation within ten (10) Business Days of delivery of the Dispute Notice, either Party may refer the dispute for mediation. At the election of H2OX, mediation will be administered by the Law Society of New South Wales in accordance with that organisation's then current mediation guidelines. The mediation shall be conducted by a mediator and at a fee agreed by the Parties. Failing agreement between the Parties, the mediator shall be selected, and the mediator's fee shall be determined by the Chair for the time being of Law Society of New South Wales as appropriate.

- 28.4 Nothing in this clause will prevent either Party from having recourse to a court of competent jurisdiction for the sole purpose of seeking a preliminary injunction or such other provisional judicial relief, as it considers necessary to avoid irreparable damage.

29. Termination and Default Events

General

- 29.1 A Member may terminate its membership within three (3) Business Days of receiving written notice of an amendment in accordance with clause 2.1 of these Rules and provided that the Member fulfills any obligations it may have to H2OX or another Member under these Rules.
- 29.2 Subject to clause 29.1, a Member may terminate its membership and its use of the H2OX Trading Platform by giving thirty (30) Business Days written notice to H2OX provided that the Member fulfills any obligations it may have to H2OX or another Member under these Rules.
- 29.3 H2OX may terminate a Member's membership by giving three (3) Business Days notice to the Member, subject to H2OX fulfilling any obligations it may have to the Member, except in the event of a material breach of the Rules, which will be subject to the provisions below.

- 29.4 H2OX may terminate a Member's membership with immediate notice to the Member, in the event of a material breach of the Rules, or where the Member's acts or omissions causes, or is likely to cause, a breach of Applicable Water Laws.

Members Active Status

- 29.5 H2OX may terminate a Member's active status on the H2OX Trading Platform in the event the Member fails to comply with any of its obligations under these Rules or any other Default Event occurs that is not remedied within fifteen (15) Business Days after being given notice in detail of such Default Event.
- 29.6 In the event that the Member's active status on the H2OX Trading Platform is terminated, H2OX will, within ten (10) Business Days:
- (a) process and settle any Pending Water Trades in the H2OX Trading Platform;
 - (b) settle all outstanding fees due by the Member pursuant to these Rules, following which, it will distribute the balance of any monies held for the Member in the H2OX Water Market Trust Account to the Member's third party beneficiary account, identified in the Member's Membership Application; and
 - (c) remove any unsold Water Rights or Allocation from the H2OX Trading Platform that are owned by the Member; and remove any Purchase Orders listed on the H2OX Trading Platform by the Member.

Default Events

- 29.7 For the purposes of these Rules a Default Event includes the following:
- (a) the Member materially breaches any term of these Rules, ITM Agreement or a Broker Agreement;
 - (b) the Member provides false, inaccurate or incomplete information, or breaches any representation or warranty made under these Rules, ITM Agreement or a Broker Agreement;
 - (c) there is, or has been, an Insolvency Event (whether or not it is continuing or subsisting) in respect of the Member; or

- (d) any licence, Authorisation or consent of the Member, which is necessary for the Member to fulfil its obligations or to enjoy its rights under these Rules, ITM Agreement or a Broker Agreement is:
 - (i) revoked, not renewed or suspended, or any applicable conditions are not complied with; and
 - (ii) such revocation, non-renewal, suspension or non-compliance is not remedied within ten (10) Business Days after notice of such revocation, non-renewal, suspension or non-compliance is given to the Member.

30. Jurisdiction and Laws

- 30.1 Members submit to the exclusive jurisdiction of the New South Wales Supreme Court and acknowledge that the laws of New South Wales apply to these Rules.
- 30.2 Members will abide by all relevant laws, including but not limited to all Applicable Water Laws, and H2OX is not responsible for any failure on the part of the Member to comply. The Member agrees not to hold H2OX liable for any action H2OX takes to comply with applicable laws or regulations.

31. Enforceability

- 31.1 If any part or provision of these Rules should be judged or found to be void or unenforceable, it will not affect the validity and enforceability of all other parts and provisions of these Rules and will be severable from every other part and provision of these Rules, to the extent that these Rules will continue in force and effect to the fullest extent possible after severance of the part of the provision that is void or unenforceable.

32. Assignment

- 32.1 Each ITM, Broker Member and Broker Client Member acknowledges that membership is non-transferrable and the Member cannot assign its rights and obligations except in accordance with these Rules.

- 32.2 H2OX may assign or transfer all or any part of its rights, interests, obligations or liabilities under these Rules by assignment.
- 32.3 H2OX acknowledges that the information it retains in respect to ITMs, Broker Members and Broker Member Clients is commercially sensitive and H2OX will take reasonable steps to ensure that this information is protected by a non-disclosure / non-compete agreement, specifically protecting the information and is only disclosed to third parties for the purposes of due diligence or as required by law
- 32.4 Subject to clause 32.3, the ITM, Broker Member and Broker Client Member:
- (a) consents to H2OX at any time assigning its rights, interests, obligations or liabilities;
 - (b) waives any requirement that it receive prior notice of the assignment; and
 - (c) if H2OX elects to exercise its right of assignment, will execute any deed, agreement or notice of assignment acknowledging and agreeing to the assignment by H2OX.

33. Notices

- 33.1 Any notice required to be provided in accordance with these Rules must be made via email to Members at the email address the Member designates from time to time and to the Market Operator at info@h2ox.com, copying legaldept@xpansiv.com.
- 33.2 A notice sent by email shall be deemed to have been received at the time of transmission, provided that no bounce-back or delivery failure notification is received by the sender.

34. Confidentiality

- 34.1 H2OX will endeavour to take all reasonable measures to protect from unauthorized use or disclosure, information provided to it in confidence by or on behalf of a Member. The circumstances in which H2OX is authorized to disclose to third parties (including Related Bodies Corporate, professional advisors and service providers) or use such information include the following:
- (a) disclosure as required by applicable law;

- (b) disclosure to any government authority and/or settlement facility;
- (c) where disclosure is required under any law or any order of any court or tribunal, authority or regulatory body;
- (d) disclosure of information generally available to and known by the public at the time of disclosure to or by H2OX;
- (e) for the purposes of monitoring compliance with, or the enforcement of, the Market Rules or the determination of those matters;
- (f) where disclosure is required to enable the Market Operator to fulfil its obligations in accordance with these Rules;
- (g) disclosure to service providers, professional advisors and affiliates in connection with the provision of services under these Rules, provided that such third parties are made aware of the confidentiality obligations contained in this Rule and are bound by a duty of confidentiality (whether express or implied); and
- (h) for the purposes of market data analysis and any other market data services, provided that such information is anonymised and aggregated with other market data or information and no personal data is disclosed or used.

34.2 Each Member:

- (a) will endeavour to take all reasonable measures to protect from unauthorized use or disclosure information received in confidence or obtained from H2OX, including on the H2OX Trading Platform;
- (b) acknowledges that market data is the property of H2OX and that H2OX shall own all rights, title and interest, database rights and trade secret rights in and to all market data submitted or recorded on the H2OX Trading Platform that is not personal data, and all related information generated or submitted in connection with operation of the H2OX Trading Platform or settlement of Water Trades on the H2OX Trading Platform. Members shall not redistribute market data or derivative works unless duly licensed in writing under terms and conditions established by the Market Operator or its affiliates; and

- (c) must not publicly display or otherwise redistribute, retransmit, process, disseminate or create derivative works from any market data or other confidential information.

35. Definitions and Interpretation

- 35.1 Some words in this document have special meanings. The definitions of these words can be found on the Exchange Site.