

ETX INTERNATIONAL TRADING RULES

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PREAMBLE

These Rules establish the world's first truly international trade exchange enabling trade amongst Traders on national and international platforms.

1 PARTIES

The **PARTIES** participating in the barter exchange **ETX INTERNATIONAL** (called herein "**E Banc Trade**", "**Empire Trade**", "**E Planet Trade**", "**the Trade Exchange**" OR "**the Exchange**") are:-

ETX International Inc (Number 25171 Vanuatu) (called "the **Exchange Company**") which does not trade, but houses the Traders' transaction records

ETX Management Inc (Number 31162 Vanuatu) (called "the **Manager**") and its Delegates which manage the Trade Exchange

Trading members of the Trade Exchange who agree to be bound by these Rules and the Constitution of the Exchange Company and who trade with other trading members within the Trade Exchange nationally or internationally (called "**Traders**" or "**Buyers**" and "**Sellers**")

2 INTENT OF PARTIES

- 2.1 These Rules are deemed to include the National Rules for each country which are drafted in the language of the country and will include the fees applicable to that country.
- 2.2 The Parties intend that these Rules shall constitute a contract initially between the Exchange Company and the Manager establishing the Trade Exchange and then as each Trader joins, shall constitute a contract between the Exchange Company, the Manager and each Trader and as between the Traders, and that their mutual promises and obligations shall constitute valid consideration at law.
- 2.3 The Parties intend that these Rules shall establish a trade exchange facilitating reciprocal trade amongst the Traders nationally and internationally and shall govern the management and operation of the Trade Exchange.
- 2.4 The Exchange Company and the Manager agree to be legally bound by these Rules upon signing the original and each Trader agrees to be legally bound by these Rules upon signing the membership application form.

3 MANAGER'S ROLE

- 3.1 The Manager is hereby appointed as the Manager of the Exchange on a continuing basis.
- 3.2 The Manager may participate as a Trader.
- 3.3 The Manager may provide, or provide access to additional goods and services to members of the exchange (including but not limited to) essential goods and services offered by the Exchange, or another party through membership of the Trade Clubs.
- 3.4 The Manager may provide or provide access to services and related goods at a nominated trade percentage to members of the exchange through independent companies.
- 3.5 The Manager is obligated to manage the efficiency, administration, development and profitable operation of the Exchange.
- 3.6 If the Manager is placed in Administration, Receivership or Liquidation, the Exchange Company may appoint a replacement Manager.

4 MANAGER'S DELEGATES

- 4.1 The Manager may appoint an Administrator and may delegate any of its powers and obligations set out herein to the Administrator.
- 4.2 The Administrator may be located in any country.
- 4.3 The Administrator may in turn delegate any of its powers and obligations to National Agents to manage the Exchange within a country in that country's currency.
- 4.4 The National Agents may in turn delegate any of their powers and obligations to Regional Agents to manage the Exchange within a region in a country.
- 4.5 The Administrator, the National and Regional Agents are referred to in these rules as the "Delegates". The term "Manager" in these rules includes the Delegates where applicable.
- 4.6 In these rules where an obligation is imposed on the Manager, this may be carried out by one of the Delegates, subject to the agreements entered into between them.
- 4.7 The Delegates may participate as Traders.

- 4.8 The Manager may remove or replace an Administrator.
- 4.9 The Administrator may remove or replace National Agents and National Agents may remove or replace Regional Agents, subject to the agreements entered into between them.

5 APPLICATION FOR MEMBERSHIP

- 5.1 In order to join the Trade Exchange, an applicant shall complete a Membership Application Form and tender the membership fee. The Regional Agents and National Agents shall decide in the first instance whether to accept the applicant as a Trader, but the Manager shall have the final decision to accept or reject an applicant.
- 5.2 By signing the Membership Application Form, the Trader acknowledges having read and understood these Rules and agrees to be bound by them.
- 5.3 A Trader shall continue as a member until the membership is terminated or suspended or the Trader resigns in accordance with paragraph 16.

6 NATURE OF TRADE CREDITS

- 6.1 ETX Credits are notional accounting units. They are known as Trade Credits or by the name of the currency of the country of operation, i.e. Australia: Trade Dollars. UK: Trade Pounds, Europe: Trade Euros, etc. They are not legal tender and can only be exchanged within the membership of the Exchange for real and personal property and services supplied by other Traders.
- 6.2 The Manager records the issue and repayment of Trade Credits in the Traders' Trade Accounts with the Exchange. Trade Credits are not redeemable in cash, in part or in whole; nor can they be sold or exchanged in part or in whole for cash.
- 6.3 For the purposes of trading within the Exchange and for the purposes of the laws of each country of operation, one Trade Credit is equivalent to one whole unit of currency of the country of operation.

7 TRADING

Traders may agree to sell real or personal property or provide services to other Traders in exchange for Trade Credits, either through a business or privately.

8 RECORDING OF TRANSACTIONS

The Manager shall :-

- establish in the books of the Exchange sections for each National Agency where Trade Accounts are recorded in the Traders' names in their national currency;
- establish a Trade Account in the books of the Exchange for each Trader in their national currency;
- faithfully and honestly record the issue and repayment of Trade Credits in each Trader's Trade Account in the Exchange when required by these Rules to do so;
- communicate regularly with Traders as to the balance in their Trade Account and send monthly accounts for any cash fees owing;
- organise and manage the affairs of the Exchange so as to fairly protect the rights and enforce the obligations of Traders;
- market the Exchange to maximise trading opportunities for Traders and maximise the value of the Trade Credits;
- publish directories of Traders;
- make all reasonable efforts to join new members;
- make all reasonable efforts to organise Licensed Real Estate Agents to assist Traders in buying or selling real property.

9 TRADER'S OBLIGATIONS

- 9.1 The Trader agrees to comply with these Rules and the applicable National Rules.
- 9.2 The Trader agrees to deal honestly and fairly with other Traders.
- 9.3 The Trader agrees to charge the same prices as for cash sales for real or personal property or services paid for in whole or in part with Trade Credits. It shall be at the absolute discretion of the Trader as to what percentage of each sale is comprised of Trade Credits and what is cash or other consideration.
- 9.4 The Trader agrees to pay the Manager the Fees set out in the National Rules as varied pursuant to these Rules or the National Rules.
- 9.5 The Trader agrees not to offer or advertise any Trade Credits for sale in consideration for payment in cash or other currencies.
- 9.6 The Trader agrees to comply with the Privacy Policy displayed on the Exchange's web site.
- 9.7 The Trader agrees not to suspend trading within the Exchange without the written permission of the Manager when the Trader owes the Exchange Trade Credits or Fees
- 9.8 The Manager its Delegates and the Traders shall be responsible for keeping books and records of Trade Credit transactions to satisfy the requirements of all relevant legislation of the country of operation.

10 CONFIDENTIAL TRANSACTIONS

Details of each Trader's Trade Account shall remain confidential as between the Manager its Delegates and the Trader, unless a Trader provides the Manager or Delegate with written waiver of this confidence.

11 TRADER TRANSACTIONS

- 11.1 The Manager shall issue Traders with a Trade cheque book which operates in a similar way to a regular bank cheque book. A Buyer completes a cheque with the required information, and exchanges it for the property or services purchased from the Seller. Buyers must ensure they have enough funds in their Trade account to cover all purchases.
- 11.2 The Manager shall from time to time specify an amount below which authorisations shall not be required ("the Authorisation Minimum"). Transactions under this amount are guaranteed by the Exchange and **DO NOT** require an authorisation from the Manager.

- 11.3 Multiple transactions between the same Seller and Buyer within a 48 hour period must be authorised if the sum of any two or more of them exceed the Authorisation Minimum.
- 11.4 Cheques for amounts above the Authorisation Minimum must be authorised by the Manager in order to ensure clearance. Only authorised cheques will be guaranteed by the Manager. Cheques must be mailed to the Manager with the authorisation number written in the space provided.
- 11.5 The Manager shall from time to time specify an amount above which Traders are required to obtain clearance in advance of trading (called the "Intention to Trade" amount or "ITT amount").
- 11.6 When Traders intend to trade above the ITT amount they must complete the ITT form and lodge it with the Manager in advance where a single transaction exceeds the ITT amount or where the sum of any two or more transactions to be entered into over a 72 hour period between the same Traders will exceed the ITT amount.
- 11.7 The Seller shall submit the cheque with the authorisation details endorsed on it to the Manager within 7 days of the authorisation and the Manager shall record the transaction details in the Seller's and Buyer's Trade Accounts.
- 12 INTERNATIONAL TRANSACTIONS**
- 12.1 Buyers may use their Trade Credits in one currency to negotiate the purchase of real and personal property and services from Sellers in the Seller's currency. This is an "International Transaction".
- 12.2 In the books of each National Agency, the Manager shall establish an account styled "Currency Account" in the Administrator's name.
- 12.3 The Buyer may obtain an International Cheque from the Manager and present it to the Seller in the Seller's currency.
- 12.4 The Seller shall obtain authorisation from the Manager in the usual way. The Exchange rate applicable at the instant of authorisation shall be applied.
- 12.5 The Manager will only issue International Cheques where the Trader has Trade Credits equivalent to the amount specified in the applicable National Rules and has a direct debit authority in place, or pays the transaction fees in advance.
- 12.6 Authorisations are not necessary for International Cheques for less than the amount specified in the applicable National Rules and the Manager will guarantee their clearance, but at the Exchange Rate applicable at the time the Manager records the transaction.
- 12.7 The Manager shall use its best endeavours to encourage trade in order to balance the Currency Accounts between National Agencies.
- 13 BAD DEBT RESERVE**
- A Bad Debt Reserve will be funded by the Traders contributing the amount specified in the applicable National Rules. The Fund shall be maintained by the Manager and utilised to fund bad debts in Trade Credits within the Exchange.
- 14 FEES**
- 14.1 The Trader agrees to pay the Manager the fees set out in the applicable National Rules in consideration for the Manager's obligations set out in these rules.
- 14.2 A cash transaction fee being the percentage as set out in the applicable National Rules of the Trade Credit component in each transaction is payable by the Buyer at the time of authorising or processing the transaction or as otherwise specified by the Manager.
- 14.3 The Manager may impose a late payment fee if fees owing are overdue.
- 14.4 A stationery fee as specified in the applicable National Rules is payable by each Trader monthly in cash unless the Manager receives notification from the Trader that they will obtain statements of account and an updated Membership Directory via online facilities.
- 14.5 An International Transaction fee as specified in the applicable National Rules is payable on the Trade Credit component of all International Transactions.
- 14.6 A membership fee as specified by the Manager for each National Agency is payable on joining.
- 14.7 The Manager shall be entitled to add or increase any fee at its discretion in the interests of maintaining the viability of the Exchange.
- 14.8 The Manager may insist fees are paid by direct debit or credit card.
- 15 TRADE FACILITIES**
- 15.1 A Trade credit facility may be provided to members upon application. An application fee as specified in the applicable National Rules may be charged by the Manager at the time of application.
- 15.2 Trade credit facilities not repaid when due will be payable in the cash currency of the country of operation at the expiry of the facility term where applicable.
- 16 SUSPENSION AND TERMINATION**
- 16.1 A Trader may terminate their membership by giving written notice to the Manager of the Trader's intention to terminate. The termination shall not be effective until all cash fees amounts owing to the Manager are paid and the balance in the Trader's Trade Account is cleared, or in the event it is a Facility, the amount owing is paid back.
- 16.2 The Manager may suspend or terminate a Trader's membership if the Trader is in breach of these Rules, or has failed to notify the Manager of changes to their circumstances and is not contactable, or the Trader becomes bankrupt, or a judgement is entered against the Trader and it remains unsatisfied for 30 days, or, if the Trader is a company, is placed in Administration, Receivership or Liquidation, or if the Manager is of the reasonable opinion that the Trader is acting unlawfully or to the detriment of other Traders or the Exchange.
- 16.3 Upon suspending the trader's account, the Manager shall forward to the trader a notice to remedy the circumstances complained of and give the Trader seven days to show cause or remedy the circumstances. If the Trader does not show cause or remedy the circumstances complained of to the complete satisfaction of the Manager, the Manager may in its absolute discretion forthwith terminate the Trader's membership.
- 16.4 While suspended, a trader may earn trade credits, however the trader agrees that until the circumstances have been remedied and the trading account reinstated to active, they will refrain from spending trade credits.
- 16.5 Upon terminating the Trader's membership, the Manager shall forward to the Trader a notice of termination. The trader will return any unused Trade cheques, and any membership card to the Manager and will forthwith refrain from any trading activity or representation as a Trader.
- 16.6 Upon termination of membership for whatever reason, a Trader shall
- forthwith pay any cash Fees owing to the Exchange or the Manager, and
 - repay any facility amount owing within 30 days, failing which the Trader shall repay same in cash currency of the country of operation forthwith upon demand
 - cease to trade
- 17 INDEPENDENT CONTRACTORS**
- 17.1 The Trader acknowledges and agrees that the Manager or its Delegates may contract with Membership Agents, Trade Brokers and Real Estate Agents etc., to provide services to the Trader. The Trader acknowledges and agrees that these persons act as Independent Contractors and not employees or agents of the Manager or Delegates.
- 17.2 The Trader acknowledges and agrees that the Exchange Company, the Manager, or the Delegates shall not be liable for any misrepresentation or negligent act of any of these agents or their servants or agents.
- 18 NO GUARANTEES**
- 18.1 The Trader acknowledges and agrees that the Exchange Company, the Manager, and the Delegates are not a party to and do not guarantee any transaction as between a Trader and any other Trader, and the Exchange, the Manager, and the Delegates make no warranty or representation in respect of any real or personal property or services sold by one Trader to another and will not be liable in damages to any Trader in respect of any goods or services purchased from another Trader.
- 18.2 The Trader acknowledges and agrees that the Manager shall use its best endeavours to join new Traders and retain existing Traders and create trading opportunities and procure new goods and services for sale by Traders to other Traders within The Exchange, but shall not be liable under any circumstances for a failure to join new Traders or retain existing Traders or create trading opportunities and procure new goods and services for sale by Traders to other Traders within The Exchange.
- 19 VARIATION**
- 19.1 The Manager may vary these Rules at any time provided that the variation is in the interests of the better management and operation of the Exchange.
- 19.2 The Manager shall give notice of the variation by posting the changes on Exchange's Internet site. The information posted on this site will be considered to be the true and accurate representation of the Rules governing the Trade Exchange. All such variations will be binding on the Traders seven (7) days after posting on the site.
- 19.3 Should any court of competent jurisdiction find a clause or part of these Rules to be unlawful or ineffective at law, these Rules are to be construed and interpreted as if that clause or part had been severed from the remainder but the remainder is to continue in force and effect after such severance unless the Rules as then constituted are not efficacious in regulating the affairs of the parties as adjudged by the relevant court.
- 20 WIND DOWN**
- 20.1 In the event that The Exchange is to be wound down for any reason whatsoever, the Manager shall allow a trading out period of six months during which all Traders agree to make all reasonable efforts to clear balances and spend Trade Credits by trading with one another (the Trading Out Period).
- 20.2 Traders agree to pay all cash Fees owing to the Manager by the end of the Trading Out Period.
- 20.3 Within seven days of the conclusion of the Trading Out Period, each Trader with a Trade Credit Facility shall pay to the Manager on behalf of the Exchange an amount in cash in the currency of the country of operation, being the same amount as the amount outstanding on the Trade Credit Facility.
- 20.4 The Manager shall take all reasonable steps to recover the cash thus owing on the Trade Credit Facilities and shall within a reasonable time distribute the cash proportionately to the Traders with the credit balances. The Manager shall be entitled to deduct a Wind Down Fee of 10 % of the cash amount to be paid to the Traders.
- 21 DISPUTES**
- The Exchange may also at its discretion offer the service of mediation or resolution of disputes between traders involving the use of trade credits.
- 22 GENERAL**
- 22.1 All parties shall comply with all applicable laws in the country or countries in which they trade. The laws of the country in which the Trader is resident or is trading shall apply to any dispute arising out of these Rules or any National Rules.
- 22.2 The parties agree that the laws of the country where the relevant contract was entered into shall apply.
- 22.3 In these Rules, "written" shall include communication by posted letter, facsimile or email or online bulletin board or any similar electronic communications system and the parties may communicate through any of those mediums.
- 22.4 The Exchange may at its discretion offer the service of promoting the sale of Traders' goods and services on such terms as may be negotiated.
- 22.5 The Manager may designate conditions on particular accounts in the case of contract or spend down accounts.

