

BARTERCARD
United Arab Emirates

("Bartercard")



**RULES OF THE
TRADING PROGRAM**

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PART I – PRELIMINARY

1. THE TRADING PROGRAM AND THE PARTIES INVOLVED

- 1.1 **Trading Program.** The "Trading Program" is a system to facilitate reciprocal trade amongst its Members.
- 1.2 **Bartercard.** "Bartercard", (Bartercard United Arab Emirates) is the company which operates the Trading Program. Bartercard acts as a third-party record keeper of trade transactions amongst Members, and directs Members to each other for the purpose of facilitating trade transactions.
- 1.3 **Member.** A "Member" of the Trading Program is a business that wants to exchange its goods and/or services with other Members within the Trading Program and wants to subscribe to Bartercard administrative and trade services.

2. THESE RULES

- 2.1 **Purpose.** The purpose of these rules (the "Rules") is to regulate the Trading Program by setting out the terms upon which Members may trade. These Rules govern the operation of the Trading Program.
- 2.2 **Legally Binding.** Bartercard, and each Member agree to be bound by these Rules, which, by force of the Membership Agreement signed by each Member, forms a contract between Bartercard and all of the Members jointly, between Bartercard and each of the Members severally, and between each Member and each other Member.
- 2.3 **Survival of Obligations.** These Rules are binding on the Members and obligations imposed upon Members under these Rules shall survive suspension or termination of the right of a Member to participate in the Trading Program.
- 2.4 **Binding on Personal Representatives etc.** The Rules are binding upon the Members, their heirs, successors, personal representative or administrators.
- 2.5 **Interpretation.** In these Rules, unless the context otherwise requires:
 - (a) singular includes plural and vice versa;
 - (b) any gender includes every gender;
 - (c) a reference to a person includes corporations, trusts, associations, partnerships, a Government Authority, and other legal entities, and where necessary, includes successor bodies;
 - (d) references to writing include printing, typing, facsimile and other means of representing or reproducing words, figures, drawings or symbols in a visible and tangible form, in English;
 - (e) references to signature and signing include due execution of a document by a corporation or other relevant entity;
 - (f) references to months mean calendar months;
 - (g) references to statutes include statutes amending, consolidating or replacing the statutes referred to and all regulations, orders-in-council, rules, by-laws and ordinances made under those statutes;
 - (h) references to sections of statutes or terms defined in statutes refer to corresponding sections or defined terms in amended, consolidated or replacement statutes;
 - (i) headings and the table of contents are used for convenience only and are to be disregarded in the interpretation of these Rules;
 - (j) where any word or phrase is given a defined meaning, another grammatical form of that word or phrase has a corresponding meaning;
 - (k) a reference to an agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time; and
 - (l) a reference to a party includes that party's executors, administrators, substitutes, successors and permitted assigns.
- 2.6 **Terms.** The terms used have the meanings given to them in the Rules explaining them, as set out in the Glossary of Terms at the end of these Rules;

3. NATURE OF TRADE UAE dirham (Dh)

- 3.1 **Nature.** A "Trade (Dirham)" is an accounting unit (notionally equivalent to one Dirham used to record the value of goods and services traded. Trade (Dirham) are not legal tender or securities. In these Rules, one Trade (Dirham) is the equivalent of one Dirham and vice versa.
- 3.2 **Credit Balance an Asset of Member.** The Trade (Dirham) recorded in a Trade Account of a Member which has a credit balance, represents an asset of that Member. Such a Member is entitled to obtain goods or services from another Member to a value equivalent to that credit balance, in accordance with these Rules but not otherwise.
- 3.3 **Not a Liability of Bartercard.** The Trade (Dirham) recorded in a Trade Account of a Member which has a credit balance, do not constitute a liability of a debt payable by Bartercard to any Member.
- 3.4 **Debit Balance a Liability of Member.** A Member whose Trade Account has a debit balance is liable, in accordance with these Rules, either:
 - (a) to supply goods or services to an equivalent value to another Member in accordance with these Rules but not otherwise; or
 - (b) if the Member has not discharged the Member's liability by supplying goods or services to another Member in accordance with these Rules, to pay to Bartercard an amount in cash (Dirham) equivalent to the amount in Trade (Dirham) of the debit balance in accordance with these Rules.
- 3.5 **No Obligation to Redeem or Convert.** Under no circumstances shall Bartercard be under any obligation to any Member to redeem or convert to cash or pay any amount for or in respect of Trade (Dirham). Bartercard does not warrant the negotiability of Trade (Dirham).
- 3.6 **Restriction on Use.** Trade (Dirham) may only be used in the manner and for the purpose set forth in these Rules.

PART II - TRADING IN THE PROGRAM

4. ENTITLEMENT TO PARTICIPATE

- 4.1 **Member in Good Standing.** Unless Bartercard allows otherwise, only a Member which is current in any fees and charges owing to Bartercard, is trading within its Credit Limit and otherwise conducts itself in accordance with these Rules (referred to in these Rules as a "Member in Good Standing") is entitled to participate in the Trading Program.
- 4.2 **Additional Cardholders.** Bartercard may at the Member's request issue additional cards to any person nominated by the Member ("the Additional Cardholder") to be used subject to these Rules. The Member agrees to be liable for the use of the Additional Cardholder's card including any breaches of the Rules until the Additional Cardholder's right to use the card is withdrawn in accordance with Rule 4.3.
- 4.3 **Right Withdrawn.** The Member must give Bartercard written notification of the withdrawal of an Additional Cardholder's right to use the Member's Trade Account. The Additional Cardholder's card must be returned to Bartercard. Bartercard will withdraw the right with effect from when Bartercard has received both written notification and the Additional Cardholder's card.

5. TRADE TRANSACTIONS

- 5.1 **Trade.** A "Trade" is a transaction conducted in the manner set out in these Rules, between Members or between Bartercard and any Member, involving the sale and purchase of goods (which expression includes, for the purposes of these Rules, real property or any right or title to or interest in any thing) or services, which is recorded by those Members in accordance with these Rules. The party selling the goods or services, referred to in these Rules, is the "Selling Member", and the party purchasing is the "Buying Member".
- 5.2 **Trade Accounts.** In its books of account, Bartercard shall establish for each Member and for Bartercard, an account ("Trade Account") for recording Trades entered into by them and other transactions in Trade (Dirham) which relate to them.
- 5.3 **Recording of Trades.** Subject to these Rules, Bartercard shall cause any Trade which has been duly entered into to be recorded in the Trade Accounts of the participants in the Trade, by:
 - (a) Crediting the Trade Account of the Selling Member with the Trade (Dirham) amount of the Trade (if necessary, offsetting that amount against any debit balance in that Trade Account); and
 - (b) Debiting the Trade Account of the Buying Member with the Trade (Dirham) amount of the Trade (if necessary, offsetting that amount against any credit balance in that Trade Account).
- 5.4 **No Agency.** In conducting any Trade, Members do so as principals and not as agents of or through Bartercard. Bartercard is not a party to any Trade and Trades shall be entered into voluntarily by the Buying Member and Selling Member. Bartercard is not the guarantor of any Trade or Trade (Dirham) or otherwise liable therefore.

6. TRADE PROCEDURE

- 6.1 **Ordinary Trades.** The procedure for conducting an ordinary Trade is:
 - (a) **(Produce card)** A Member in Good Standing who intends to purchase goods or services (the "Buying Member") shall produce prior to receiving the goods or services its Member's Bartercard Card to the Member who intends to sell the goods or services (the "Selling Member");
 - (b) **(Complete voucher)** Either the Buying Member or the Selling Member completes the following particulars of the proposed Trade upon a form prescribed from time to time by Bartercard as the form to be completed for the purposes of an ordinary trade ("Transaction Voucher"):
 - (i) The name of the Buying Member and/or its account number;
 - (ii) The name of the Selling Member and/or its account number;
 - (iii) A brief description of the goods or services;
 - (iv) The date upon which the Trade is entered into;
 - (v) The Trade (Dirham) amount of the Trade;
 - (c) **(Sign voucher)** The Buying Member signs the Transaction Voucher and the selling Member shall check that the signature on the Transaction Voucher conforms with the signature on the card;
 - (d) **(Obtain authorisation)** The Selling Member, where required under these Rules, obtains authorisation for the proposed Trade from Bartercard;
 - (e) **(Endorse authorisation)** The Selling Member endorses the Transaction Voucher with the authorisation number issued by Bartercard (if one is issued);
 - (f) **(Send voucher)** The Selling Member sends the original completed Transaction Voucher to Bartercard within fourteen days, gives the duplicate to the Buying Member and retains the triplicate copy.
- 6.2 **Transaction Voucher to be Forwarded to Bartercard.** A Selling Member must forward the Transaction Voucher, Gift Certificate or Other Voucher to Bartercard within fourteen days of the Trade Transaction.
- 6.3 **Trade by Gift Certificate or Other Voucher.** The procedure for conducting a Trade by way of Gift Certificate or Other Voucher is:
 - (a) **(Issue of Gift Certificate)** At the request of any Member, Bartercard may issue to that Member a Prepaid Gift Certificate and Member's Gift Certificate ("Gift Certificate") or Other Voucher ("Other Voucher") entitling the bearer to participate in the Trading Program;
 - (b) **(Trade account entries upon issue)** If Bartercard or Member issues a Gift Certificate or Other Voucher to any Member, Bartercard will:
 - (i) debit the Trade Account of the Member to whom the Gift Certificate or Other Voucher is issued with the Trade (Dirham) amount of the Gift Certificate or Other Voucher;
 - (ii) credit Bartercard's Trade Account with that Trade (Dirham) amount;
 - (c) **(Selling Member's obligation)** A Selling Member must Trade with the bearer of a Gift Certificate or Other Voucher as if it was a Transaction Voucher duly completed by Bartercard and must otherwise treat the Gift Certificate or Other Voucher as such;
 - (d) **(Trade account entries upon use)** Upon receiving a Gift Certificate or Other Voucher from a Member who has entered into a Trade as a Selling Member with the bearer of a Gift Certificate or Other Voucher, Bartercard shall credit the Trade Account of the Selling Member with the amount of the Gift Certificate or Other Voucher as if it was a Transaction Voucher, and debit Bartercard's Trade Account for a corresponding Trade (Dirham) amount;
 - (e) **(Payment of balance in cash)**
 - (i) The bearer of a Gift Certificate or Other Voucher may, if the Trade (Dirham) amount of the Gift Certificate or Other Voucher is insufficient to meet the purchase price of the goods or services to be sold or provided by the Selling Member, pay the balance of the purchase price to the Selling Member in Cash rather than in Trade (Dirham);
 - (ii) If the Trade (Dirham) amount of the Gift Certificate or other Vouchers exceeds the purchase price of the goods or services to be sold or provided by the Selling Member, then the Selling Member is entitled to retain the balance;
 - (f) **(No change payable)** Where the Trade (Dirham) amount of the Gift Certificate or Other Voucher exceeds the purchase price of the goods or services to be sold or provided by the Selling Member, the Selling Member is not obliged to pay any change or give any credit in favour of the bearer of the Gift Certificate or Other Voucher;
 - (g) **(Supplementary or amended rules)** Bartercard may, from time to time, issue supplementary or amended rules for the use of Gift Certificates or Other Vouchers, which shall be endorsed thereon, and Members using or accepting Gift Certificates or Other Vouchers shall be bound thereby.
- 6.4 **Trade By Use of I.V.R. System.** The procedure for conducting transactions via the telephone through the use of the Interactive Voice Response (I.V.R.) System is:
- 6.5
 - (a) **(Information Provided)** either the Buying Member or the Selling Member provides Bartercard with the:
 - (i) Buying Member's account number;
 - (ii) Selling Member's account number; and
 - (iii) Trade (Dirham) amount of the Trade;
 - (a) **(Authorisation Number)** Bartercard then issues an Authorisation Number for the transaction and;
 - (b) **(Trade Procedure Followed)** the procedure in Rule 6.1 (except Rule 6.1(d)) is then followed.

- 6.5 **Trade By Use of Electronic Swipe Terminal.** The procedure for conducting transactions through the use of an Electronic Swipe Terminal is contained in the Merchant Agreement for Electronic Transactions which forms part of these Rules.
- 6.6 **Trade By Use of Electronic Commerce.** The procedure for conducting e-commerce transactions through the Internet is contained in the various rules governing e-commerce applications located at Bartercards Internet website, which forms part of these Rules.
- 6.7 **Acknowledgment of Liability.** The signing by or on behalf of the Buying Member of the Transaction Voucher constitutes, subject to these Rules:
- acknowledgment by the Buying Member that the Trade to which the Transaction Voucher relates has been conducted in accordance with these Rules;
 - agreement on the part of the Buying Member that the Buying Member's Trade Account is to be debited in accordance with Rule 5.3(b) with the amount referred to in the Transaction Voucher; and
 - if the effect of debiting the Trade Account of the Buying Member with the Trade (Dirham) amount of the Trade, after offsetting that amount against any credit balance in that Trade Account, is to produce a debit balance in that Trade Account, an acknowledgment and evidence of the Buying Member's liability as provided in Rule 3.4.
- 6.8 **Non Compliance with Procedure.** Where the Buying Member or the Selling Member do not comply with any part of the trade procedure set out in these Rules, the Trade is valid unless Bartercard refuses to process it or, after it is processed, reverses, cancels or alters the entries in the Trade Accounts of the Members involved.
- 7. AUTHORISATION PROCEDURE**
- 7.1 **Authorisation to be Sought.** Where the Trade (Dirham) value of a proposed Trade exceeds such amount as Bartercard may specify from time to time (and as endorsed on the Member's Card), for any or all Members (the "Minimum Authorised Amount") the Selling Member must seek Bartercards authorisation for the Trade.
- 7.2 **Authorisation Granted.** If Bartercard grants its authorisation to a proposed Trade then Bartercard will issue an "Authorisation Number" in respect of it which shall freeze the funds in the Buying Member's Trade Account.
- 7.3 **Refusal of Authorisation.** Bartercard shall be entitled to refuse to give its authorisation for any reason including, without limitation:
- that the Buying Member does not have sufficient Trade (Dirham) or available credit in its Credit Line;
 - that either party is not a Member in Good Standing; or
 - that the Selling Member failed to seek or obtain Bartercards authorisation before the transaction.
- 7.4 **Expiry of Authorisation.** An authorisation granted by Bartercard is valid only for a period of thirty days after the date upon which it was granted, after which it expires whereupon Bartercard may treat the Trade as if no authorisation had ever been granted.
- 8. SPECIAL TRADE PROCEDURE**
- 8.1 **Special Trades.** A special procedure applies to Trade transactions involving the sale or provision of goods or services in the form of special orders, construction jobs, provision of services over time or work-in-progress which must be paid for when work is completed or in stages and such other transactions as Bartercard may from time to time determine. In this Rule, such a transaction is referred to as a "Special Trade" and the goods or services so sold or provided are referred to as a "Special Job or Order".
- 8.2 **Special Procedure.** The special procedure applicable to a Special Trade is as follows:
- (Estimate of cost)** Before authorising the Selling Member to commence the Special Job or Order, a Buying Member should obtain a written estimate from the Selling Member;
 - (Deposit in Trade (Dirham))** Before commencing the Special Job or Order, if appropriate, the Selling Member should obtain a deposit or down payment in Trade (Dirham). Payment of the deposit or down payment can be made by Transaction Voucher and Bartercards authorisation must be obtained if the amount exceeds the Minimum Authorised Amount;
 - (Shortfall payable in cash)** The Selling Member should include in its contract a provision that if the Buying Member does not have sufficient Trade (Dirham) in its Trade Account when Bartercards authorisation is requested, then the difference will be paid by the Buying Member by way of cash payment to the Selling Member;
 - (Special Authorisation)** In order to "reserve" an amount of Trade (Dirham) from the Buying Member's Trade Account until a particular Special Job or Order is completed, the Selling Member must forward to Bartercard a written request, signed by the Selling Member and countersigned by the Buying Member, for "Special Authorisation" for the estimated amount less any deposits or down payments. If Bartercard grants Special Authorisation, it shall give a "Special Authorisation Number", and the amount so authorised will then be frozen in the Buying Member's Trade Account which will be treated by Bartercard as if that amount had been debited from it;
 - (When complete)** When the Special Job or Order has been completed or partially completed, the Selling Member shall complete a Transaction Voucher for the amount due, obtain the Buying Member's signature, endorse the Transaction Voucher with the Special Authorisation Number and forward the completed Transaction Voucher to Bartercard. In the event of partial payment, the Special Authorisation shall be reduced by that amount;
 - (Bartercard to credit Selling Member)** Subject to these Rules, Bartercard shall upon receipt of the duly signed and completed Transaction Voucher, credit the Selling Member's Trade Account and debit the Buying Member's Trade Account.
- 9. PROCESSING OF TRADE TRANSACTIONS**
- 9.1 **Posting of Authorised Trade.** Where Bartercard has granted its authorisation and the Authorisation Number so issued has been endorsed on the Transaction Voucher, Bartercard shall, subject to these Rules, post the Trade to the Trade Accounts of the Selling Member and the Buying Member.
- 9.2 **Posting of Trade by Gift Certificate.** The Trade Account of a Selling Member receiving the Gift Certificate or Other Voucher shall, subject to these Rules, be credited by Bartercard for the amount of Trade (Dirham) specified in that Gift Certificate or Other Voucher.
- 9.3 **Where Bartercard Suspects Fraud etc.** Bartercard is not obliged to process a Transaction Voucher, Gift Certificate or Other Voucher where it reasonably suspects a breach of the Rules, fraud or misleading or deceptive conduct by any party to the Trade. Bartercard is not obliged to refuse to process any Transaction Voucher, Gift Certificate or Other Voucher under any circumstances.
- 9.4 **Lost or stolen card.** A Member is liable for all transactions conducted on a lost or stolen card prior to Bartercard receiving written notification. Lost or stolen card includes an Additional Cardholder's card where the Member has to Bartercards satisfaction first made all reasonable efforts to obtain the Additional Cardholder's card.
- 9.5 **Where No Authorisation Number.** If an Authorisation Number is not endorsed on a Transaction Voucher, Bartercard may post the Trade to the Member's Trade Account but shall have no obligation to do so.
- 9.6 **Late Receipt by Bartercard.** Bartercard may decline to process any Transaction Voucher, Gift Certificate or Other Voucher which is received later than fourteen days after the date of the Trade, even if authorisation was granted.
- 9.7 **Audit and Verification.** All Trades are subject to final audit and verification by Bartercard and, in the case of errors or inaccuracies, Bartercard may at its sole discretion debit or credit a Member's Trade Account so as to correct any error without giving notice to the Member whose Trade Account is affected.
- 9.8 **Copy of Transaction Voucher.** A Member who requests a copy of a Transaction Voucher will be provided with a copy by Bartercard subject to payment of an administrative fee which may be prescribed from time to time.
- 9.9 **Copy of Monthly Statements.** A Member who requests a copy of a statement detailing that Member's transaction/s ("Monthly Statement") will be provided with a copy by Bartercard subject to payment of an administrative fee which may be prescribed from time to time.
- 9.10 **Record Keeping.** Members will be charged an administrative fee which may be prescribed from time to time for cheques that are required to be presented again or are referred to the drawer and for sending in more than one copy of a voucher.
- 10. TRADE CONDUCT**
- 10.1 **100% Barter.** All Trades are to be conducted on a one hundred percent (100%) barter basis unless the Seller has before entering the Trade obtained the consent of Bartercard to trade in cash or partly in cash and partly by way of Trade which consent may be withheld at the sole and unfettered discretion of Bartercard.
- 10.2 **Refusal to Trade.** If a Member which has been requested to enter into a Trade with a Member in Good Standing declines to enter into that Trade with that Member in circumstances where the first Member would have entered into a transaction if the second Member was willing to pay cash, then the first Member will be deemed to have breached these Rules unless an Authorisation Number has been sought and refused or the Member is on Standby. No Member in debit may refuse to accept trade under any circumstances.
- 10.3 **Standby.**
- (Pre-requisite conditions)** Where the credit balance of the Trade Account of a Member exceeds the greater of:
 - 5,000 Trade (Dirham); or the equivalent of the Trade (Dirham) amount of any line of credit in Trade (Dirham) that has been granted to the Member by Bartercard under these Rules; then that Member may give to Bartercard thirty days prior written notice of its intention to temporarily suspend its participation as a Selling Member in the Trading Program (referred to as going on "Standby");
 - (Expiry of notice period)** Upon the expiration of the said period of thirty days, or such shorter period as Bartercard may allow, the Member will be deemed to be on Standby, and shall be entitled to refuse to trade notwithstanding Rule 10.2;
 - (Reverting to normal)** As soon as the credit balance of the Member's Trade Account decreases below the amount referred to in Rule 10.3(a), the Member shall be deemed to be no longer on Standby.
- 10.4 **Tips and Taxes.** All tips, gratuities and any tax or duty applicable on the Trade are to be paid in Trade (Dirham) at the point of purchase by the Buying Member.
- 10.5 **Direct Trade.** The following provisions of this Rule shall apply in respect of any transaction between two or more Members, which is conducted otherwise than in accordance with the provisions of these Rules:
- Members acknowledge and agree that all transactions taking place between them arise as a consequence of their being introduced to one another as a result of their being Members of the Trading Program;
 - In the event that a Member for the purpose of avoiding Transaction/Service Fees engages in Direct Trade with another Member or if a third party Member makes payment on another Member's behalf ("Direct Trade"), then each Member involved in that Direct Trade shall pay a transaction fee equal to the Transaction/Service Fee of the value of that Trade which shall fall due and payable to Bartercard upon completion of that Direct Trade;
 - The provisions of sub-Rule (b) of this Rule shall not apply where Bartercard, in its absolute discretion, is satisfied that the Members entered into Direct Trade for legitimate reasons other than the avoidance of paying Transaction/Service Fees;
 - If the Manager has reason to believe that Members have engaged in Direct Trade, the Manager may request from any one or all of the Members it believes have engaged in the Direct Trade a copy of the Tax Invoice relating to the transaction.
 - Notwithstanding the other provisions of this Rule, Bartercard may suspend or terminate the right of a Member to participate in the Trading Program, if Bartercard considers that the Member has entered into a Direct Trade in contravention of the spirit of these Rules.
- 10.6 **Overpricing.**
- A Member must not charge more for any goods or services in Trade (Dirham) than it would have charged if the Trade was a cash transaction. The practice of charging Trade (Dirham) prices in breach of this Rule is referred to as "Overpricing";
 - Bartercard may investigate or inquire into complaints of Overpricing by a Member.
- 10.7 **Voucher Splitting.**
- Where a Member avoids obtaining an authorisation number in accordance with Rule 7 by splitting a Transaction Voucher for an amount which would otherwise be in excess of the Buying Member's Minimum Authorised Amount, the Member is in breach of these Rules. The practice of splitting vouchers in breach of this Rule is referred to as "Voucher Splitting";
 - If Bartercard considers that the Member has entered into Voucher Splitting in breach of this Rule Bartercard may:
 - refuse to process the voucher, reverse, alter or cancel an entry in any Member's Trade Account; and/or
 - suspend or terminate the right of a Member to participate in the Trading Program.
- 10.8 **Poor Service.** Where in Bartercards opinion a Member fails to respond to another Member's enquiry or fails to respond to another Member in the same manner as the Member would have if the other Member was a cash customer, the Member shall be deemed to have engaged in "Poor Service" for which Bartercard may suspend or terminate the right of the Member to participate in the Trading Program.
- 11. BARTERCARD TRADES**
- 11.1 **Bartercard Trades.** Bartercard may participate in the Trading Program as if it was a Member and Bartercard may debit or credit Bartercards Trade Account as the case may be and correspondingly credit or debit the Trade Account of the other Member participating in the Trade.
- 11.2 **Warranty as to Title.** Where Bartercard participates in the Trading Program as a Selling Member, Bartercard warrants to the Buying Member that Bartercard has title to the goods to be traded free from any charge, lien or encumbrance.
- 11.3 **"As is where is".** Such goods are sold on an "as is where is" basis and the Buying Member acquires those goods on the understanding that the goods are manufactured or produced by someone else and not Bartercard.
- 11.4 **No Warranty as to Fitness for Purpose etc.** Bartercard makes no warranty whether express or implied by operation of law or otherwise as to the merchantability, fitness for purpose or otherwise of those goods.

- 11.5 **Benefit of Warranty.** A Member must look solely to the manufacturer, distributor or retailer of any such goods to obtain the benefit of any warranty.
- 11.6 **Assignment of Warranty.** Upon the completion of any Trade in which Bartercard participates as a Selling Member Bartercard assigns the benefit of any warranty attaching to the goods to the extent that the benefit of any warranty attaching to the goods is lawfully capable of assignment.
- 11.7 **Reservation of Title.** Where Bartercard participates in the Trading Program as a Selling Member, the following provisions apply to the exclusion of the provisions of the any legislation relating to the passing of title between a seller and a buyer:
- Title to goods traded between Bartercard and the Buying Member shall remain with and vest in Bartercard at all times until:
 - the full purchase price has been discharged by a debit entry in the Trade Account of the Buying Member; and
 - in the event that such a debit entry results in the Trade Account of the Buying Member having a debit balance, that debit balance has been discharged either by payment from the Buying Member to Bartercard, or by credits subsequently made to the Buying Member's Trade Account as a result of transactions carried out in accordance with these Rules;
 - Whilst title to goods traded between Bartercard and the Buying Member remains with and is vested in Bartercard, Bartercard may re-take possession of such goods (or any part thereof) unless, within thirty days after the completion of the transaction (for which purpose the date on which the transaction is entered in the Buying Member's Trade Account shall be conclusive evidence of the date of the transaction), title to the goods has transferred to and become vested in the Buying Member in accordance with the provisions of paragraph (a) of this Rule;
 - For the purposes of paragraph (b) of this Rule, Bartercard is hereby irrevocably authorised by the Buying Member to do all or any of the following things in re-taking or attempting to re-take possession of the goods (or any part thereof), and may exercise any of the following powers through any of Bartercard's directors, officers, servants, agents, or sub-contractors; that is to say:
 - to enter upon any land, buildings or property owned, leased or occupied by the Buying Member;
 - to use force in order to obtain entry to any such land, buildings or property;
 - to sever, remove and disconnect the goods (or any part thereof) from any land, building or other property to which the same have been attached or affixed, without liability for any damage or injury thereby caused to such land, buildings or other property;
 - to appoint a receiver to take possession of the goods or any part of them; and
 - in the event that the goods (or any part of them) have been inter-mingled with goods of the same or a similar character or description, to appropriate out of the goods so inter-mingled such quantity or amount as in the opinion of Bartercard fairly represents the quantity or amount and the value of the goods sold by Bartercard to the Buying Member;
 - Whilst title to any goods sold by Bartercard to the Buying Member remains vested in Bartercard:
 - the Buying Member must not sell, lease, encumber, or otherwise deal with or part with possession of the goods or any part thereof until title has transferred to and become vested in the Buying Member; and
 - in the event that the Buying Member does (in breach of the provisions of paragraph (d)(i) of this Rule) sell, lease, encumber, deal with or part with possession of the goods or any part thereof, all proceeds of such sale, leasing, encumbering, dealing or parting with possession of the goods must be placed by the Buying Member in a separate account, and be held by the Buying Member on trust for Bartercard until such time as title to the goods has passed to and become vested in the Buying Member in accordance with the provisions of paragraph (a) of this Rule.
- 11.8 **Legislation.** The provisions of this Rule are subject to the provisions of any trading or commerce legislation which is inconsistent with the provisions of those clauses, to the extent that the same cannot lawfully be contracted out and to that extent only, the provisions of those Rules shall be of no force or effect.

PART III - ADMINISTRATION OF THE PROGRAM

12. BARTERCARDS ROLE

- 12.1 **Provision of Services.** Bartercard shall use its best efforts to provide to Members in Good Standing the following services ("Bartercard Services"):-
- The maintenance of current lists of all Members and Members in Good Standing;
 - The provision to Members of access to non-confidential authorised details of current information on Members in Good Standing and goods or services available under the Trading Program;
 - The publication from time to time of news bulletins and the making available of advertising space in such news bulletins to Members in Good Standing for goods or services they may offer through the Trading Program, for a fee.
 - The operation and maintenance of a procedure by which Members may obtain Authorisation Numbers in accordance with these Rules;
 - The administration and enforcement of the Rules;
 - The ongoing review and, where necessary, amendment of these Rules;
 - The processing of properly completed Transaction Vouchers, Gift Certificates and Other Vouchers;
 - The carrying out of the duties and functions of Bartercard as contained in these Rules; and
 - The carrying out of those duties and functions of Bartercard as are required to be carried out by Bartercard under these Rules.
- 12.2 **No Liability.** Bartercard will not be liable to any Member for failure to provide, or the manner of providing Bartercard Services from time to time.

13. BARTERCARDS ROLE

- 13.1 **Monitor and Recover Debit Balances.** Bartercard shall take all reasonable steps to:
- monitor all Trade Accounts which have a debit balance and ensure that the Members holding those accounts maintain them in accordance with these Rules;
 - in the name of Bartercard, pursue recovery of debit balances where the Rules provide that they are recoverable.
- 13.2 **Regulate and Control.** Bartercard has the right and power to regulate and control the number of Trade (Dirham) within the Trading Program.
- 13.3 **Issue.** Bartercard shall make available to Members in Good Standing, blank Transaction Vouchers and Gift Certificates and any other recognised vouchers or certificates that may be prescribed from time to time by Bartercard for use in connection with any Trade Transaction.
- 13.4 **Gift Certificate.** Bartercard may, upon request or in accordance with Rule 20 of these Rules, issue to any Members, Gift Certificates for amounts in Trade (Dirham) as specified therein, which can be used by that Member to participate in a Trade in accordance with Rule 6.3.
- 13.5 **Member's Card.**
- Bartercard shall issue from time to time to Members in Good Standing, a Member's Card (the "Member's Card/ Bartercard Card") which shall, upon its production by the

Member named on the card to another Member and subject to any notification to Members that the Member is not a Member in Good Standing, be prima facie evidence that the Member is a Member in Good Standing, but only in respect of purchases up to the amount specified on the reverse side of the card, provided that any expiry date endorsed thereon has not passed;

- The Member's Card shall remain at all times the property of Bartercard and may not in any way be defaced or altered;
- The Member's Card shall promptly be cut in half and returned to Bartercard by the Member:
 - upon cancellation of the right to use the Member's Card;
 - where the Member requests Bartercard to cancel the Member's Card;
 - upon its expiry (although the Member's Card need not be returned to Bartercard);
 - where a Member's Card has been previously reported lost or stolen, upon its subsequently being found.

In these circumstances an agent of Bartercard may call on the Member to obtain possession of the Member's Card and the Member shall return the Member's Card to that agent upon sight and proof of authority to collect the Member's Card.

13.6 **Periodic Statements.** Bartercard shall issue monthly statements to Members reflecting activity in their Trade Account and amounts that are due and owing to Bartercard.

13.7 **Deemed Accurate.** Statements issued by Bartercard are deemed to be accurate unless a Member notifies Bartercard in writing of any discrepancy within fourteen days of the statement date.

13.8 **Interim Account.** A Member who requests an interim account particularising activity in that Member's Trade Account will be provided with it by Bartercard subject to payment of a reasonable fee which may be prescribed from time to time by Bartercard.

14. DIRECTORY AND ADVERTISING

14.1 **Authorisation.** The Member authorises and requests Bartercard to notify and advertise to other Members the availability in the Trading Program of that Member's goods or services for the purpose of:-

- providing our services;
- enhancing our customer service;
- answering your queries;
- client research, and
- facilitating trade transactions.

The Member authorises the Exchange Company, the Managers and its agents, contractors, authorised employees and any related party:-

- to send to it commercial electronic messages for the purpose set out in this Rule 14.1, and
- not to include in the commercial electronic message a functional unsubscribe facility.

Basic definition:

(1) For the purposes of these Rules, an "electronic message" is a message sent:-

- using:-
 - an Internet carriage service; or
 - any other listed carriage service; and
- to an electronic address in connection with:
 - an email account; or
 - an instant messaging account; or
 - an telephone account; or
 - similar account

Note: E-mail addresses and telephone numbers are examples of electronic addresses.

- For the purposes of this Rule 14, it is immaterial whether the electronic address exists.
- For the purposes of this Rule 14, it is immaterial whether the message reaches its intended destination.
- This Rule 14 has effect subject to sub rule (5).
- If a message is sent by way of a voice call made using a standard telephone service, the message is not an "electronic message" for the purposes of these Rules.

14.2 **Directory - Publication & Distribution.** Bartercard shall from time to time publish and distribute a directory, including in electronic form on the Internet (the "Directory"), that contains the names and such other information concerning Members that Bartercard from time to time determines.

14.3 **Directory.** A Member in Good Standing shall be entitled to have its name published in the Directory. A Member in Good Standing shall (unless Bartercard otherwise determines) be entitled to place a brief description of its business, goods or services in the next published Directory after payment by the Member of its Directory Fee.

14.4 **Member's Listing.** A Member's listing in the Directory shall be classified according to the classification system determined by Bartercard.

14.5 **No Warranty as to Accuracy of Directory etc.** Bartercard gives no warranty as to and will not be responsible for the accuracy of the information in relation to any Member contained in the Directory, or any promotional or other material provided by Bartercard or any Franchisee or servant or agent of them or any of them to Members, and will not be liable for any error or omission therein.

15. TRANSACTION, SERVICE, ADMINISTRATION AND DIRECTORY FEES

15.1 **Transaction/Service Fee.** Each Member shall pay a fee in respect of each and every Trade in which it participates (a "Transaction/Service Fee") which shall be equal in amount to such percentage of the value of the Trade (inclusive of any tax) as Bartercard from time to time determines, payable, at the election of Bartercard, either in cash or in Trade (Dirham). The Trade (Dirham) amount of any Transaction/Service Fee may, at the election of Bartercard, be debited to the Trade Account of either or both of the Members participating in the Trade at Bartercard's discretion.

15.2 **Administration/Service Fee.** Each Member must pay to Bartercard a monthly fee (the "Administration Fee") which in the discretion of Bartercard will be payable entirely in cash or partly in cash and partly in Trade (Dirham), or entirely in Trade (Dirham).

15.3 **Directory Fees.** Bartercard is entitled to charge each Member a fee (the "Directory Fee") either in cash or in Trade (Dirham) or partly in cash and partly in Trade (Dirham) which shall be paid by each Member in the manner prescribed by Bartercard.

15.4 **Payment.** Each Member must pay to Bartercard the full amount of all fees and charges owing by it within seven days of the date of receiving its monthly statement or within such other period as may be notified in that statement unless the Member has agreed with Bartercard in writing that payment is to be sent and received together with the Transaction Voucher to which the fee relates, in which case the Member (in these Rules called a "Fees with Voucher Member") must forward such fee together with that Transaction Voucher;

16. OVERDUE FEES OR OTHER MONIES

16.1 **Late Payment Fee.** In the event that a Member fails to pay:

- (a) any fees or charges within the period referred to in Rule 15.4 or, in the case of a Fee with Voucher Member, when the Transaction Voucher to which the fee relates is forwarded to Bartercard; and/or
- (b) any other monies which becomes payable under these Rules, by the date upon which it became payable; then the Member must pay monthly to Bartercard an amount in cash on outstanding cash fees as detailed on the Member's statement at the rate of ten (10%) percent per month (or such other rate as Bartercard may prescribe from time to time) for a period not exceeding four (4) months or until the Member has paid the monies owing in full whichever occurs first.
- 16.2 Arrears.** If a Member is in arrears of payment of any Transaction/Service Fees, Administration Fees or Directory Fees or any other fees or charges for more than ten (10) days after the date of the Statement or, in the case of a Fees with Voucher Member, when the Voucher is forwarded to Bartercard, then Bartercard may cancel any Trade (Dirham) Credit Line granted to the Member and/or freeze the Trade (Dirham) balance and prevent that Member from participating as a purchaser in any Trade until satisfactory arrangements are made with Bartercard for payment of any monies in arrears.
- 16.3 Bartercards Election to take Trade (Dirham).**
- (a) **(Bartercard may elect)** Where any fees payable by a Member in cash remain outstanding for longer than sixty (60) days after they fell due, Bartercard may, in its sole discretion and upon giving notice in writing to the Member, elect to convert the Member's cash indebtedness into a Trade (Dirham) obligation of three times the Trade (Dirham) equivalent of the cash amount outstanding, and thereupon debit the Member's Trade Account with the Trade (Dirham) amount and credit Bartercards Trade Account with that amount;
- (b) **(Member may pay cash)** A Member whose liability in cash for outstanding fees has been converted to Trade (Dirham) in accordance with Rule 16.3(a) may, at any time within thirty (30) days after receiving a notice under Rule 16.3(a), satisfy its newly converted obligation in Trade (Dirham) by paying to Bartercard the amount of the cash fees that was payable immediately before the conversion, whereupon Bartercard shall reverse the Trade (Dirham) debit referred to in Rule 16.3(a).

17. BREACH OF RULES

- 17.1 Investigate Complaints.** Bartercard is entitled but shall not be compelled to enquire into and investigate complaints of breaches of these Rules by a Member.
- 17.2 Fair Dealings.** Bartercard may take such actions as it is empowered to pursuant to these Rules, in order to promote or ensure fair dealings between Members.
- 17.3 Suspension and Show Cause.** If Bartercard suspects that a Member has breached these Rules, Bartercard:
- (a) may give notice of the breach in writing to the Member and request the Member to show cause in writing within seven (7) days as to why its Membership should not be terminated;
- (b) may immediately, and without notice suspend the Member's right to participate in the Trading Program.
- 17.4 Termination.** If, at any time after the expiry of seven (7) days from the date upon which a notice under Rule 17.3(a) was sent to a Member, Bartercard considers in his absolute and unfettered discretion that the right of any Member to participate in the Trading Program should be terminated, Bartercard may terminate the Member's right to participate in the Trading Program immediately and shall thereupon notify the Member accordingly, which termination shall have immediate effect.
- 17.5 Suspension.** If Bartercard suspends a Member's right to participate in the Trading Program, all activity in the Member's Trade Account must cease until such time as Bartercard has made its determination under Rule 17.4.
- 17.6 Bartercards Decision Conclusive.** A decision of Bartercard to suspend or terminate a Member's Trade Account will be final and conclusive and can only be reconsidered, reversed, revoked or altered by Bartercard in its absolute discretion.
- 17.7 Payment of Costs.** In the event of breach of the Rules by a Member, that Member must pay to Bartercard all reasonable legal costs of Bartercard in enforcing these Rules on an indemnity basis together with interest at the rate of 25% per annum from the date upon which such costs are paid by Bartercard until the date on which the Member makes payment.

18. TRADE OUT AND CESSATION OF PARTICIPATION

- 18.1 Bartercard May Require Pre-Payment.** If:
- (a) Bartercard reasonably believes that a Member is spending the credit balance in the Member's Trade Account or reducing the debit balance in the Member's Trade Account in anticipation of ceasing future participation in the Trading Program; or
- (b) a Member has given notice to Bartercard or has, by its actions, in the opinion of Bartercard indicated that it intends to cease participation in the Trading Program; or
- (c) a Member's right to participate in the Trading Program has been terminated but Bartercard allows the Member to finalise its Trade Account by entering into Trades as a Selling Member only; then Bartercard is entitled to require immediate pre-payment in cash of the Transaction Fees and Service Fees which will become payable on the debit or credit balance of the Member's Trade Account.
- 18.2 No Trading Unless Fees Pre-Paid.** Where Bartercard requires a Member to pre-pay fees under Rule 18.1, that Member is not permitted to enter any Trade until those fees are paid.

19. REVERSAL OF TRANSACTIONS

- 19.1 Bartercard May Reverse Certain Transactions.** Bartercard may reverse, alter or cancel an entry in any Member's Trade Account in relation to a trade if:
- (a) both the Buying Member and the Selling Member request Bartercard in writing to do so;
- (b) the Transaction Voucher in respect of the Trade was not or does not appear to have been signed by an authorised signatory or was not signed at all; or
- (c) there was, in Bartercard's opinion, some breach of these Rules or a fraudulent act in connection with the conduct of the transaction; or
- (d) Bartercard has reason to believe that the transaction is fraudulent.
- 19.2 Member May Show Cause.** Before reversing, altering or cancelling any entry by reason of any breach of these Rules in connection with any transaction, Bartercard shall give the Buying Member and the Selling Member notice requiring them to show cause within seven (7) days as to why the entries in the respective Members' Trade Accounts reflecting that Trade should not be reversed, altered or cancelled.
- 19.3 Where Cause Not Shown.** If the Members do not, to Bartercard's satisfaction, show cause, Bartercard in its absolute and unfettered discretion is entitled to reverse, alter or cancel the entry or entries in the Trade Account of the Buying Member and/or the Selling Member in respect of which Bartercard considers there to have been non-compliance with these Rules in which event it shall be the responsibility of the Selling Member to seek payment of the consideration for the goods, services or other items of value from the Buying Member.
- 19.4 Transaction Frozen Until Good Cause Shown.** At any time until Bartercard has made a determination under Rule 19.3, Bartercard may freeze the entry in question, in the Trade Accounts of the Buying Member or the Selling Member or both, until such determination is made.

- 19.5 Consequence of Reversal of Transaction.** If such reversal, alteration or cancellation of any entry in the Selling Member's Trade Account results in a failure of the consideration in whole or in part for the Trade then the Selling Member will have, as against the Buying Member the usual rights exercisable by the Selling Member but shall have no rights against Bartercard. The Buying Member and the Selling Member hereby indemnify Bartercard in respect of any exercise or purported exercise of its powers under this Rule.
- 19.6 No Obligation to Reverse.** Notwithstanding Rules 19.1 to 19.4 (inclusive), Bartercard has no obligation, in any case, to:
- (a) reverse, alter or cancel any entry;
- (b) call upon any Member to show cause why any entry should not be reversed, altered or cancelled;
- (c) freeze or unfreeze any entry; or
- (d) make any determination under this Rule.

20. TERMINATION

- 20.1 Termination by Member.** A Member must give a minimum of five (5) business days notice in writing of its intention to cease to participate in the Trading Program.
- 20.2 Termination by Bartercard.** Notwithstanding Rule 17.3, Bartercard may in its absolute and unfettered discretion suspend or terminate or suspend and then terminate a Member's right to participate in the Trading Program without notice for a breach of the Rules if:
- (a) the Member has, on two (2) or on more occasions in the previous twelve (12) months been given a notice under Rule 17.3(a);
- (b) the Member is in arrears of Transaction/Service Fees or any other charges for a period exceeding ten (10) days;
- (c) Bartercard considers that it is not in the interests of the Trading Program that the Member should continue to participate in it.
- 20.3 Member's Breach Causes Loss.** The Members acknowledge and agree that a breach of these Rules by a Member will cause loss and damage to Bartercard in a number of ways, which are difficult to quantify and which may include, but are not limited to:
- (a) administrative costs in dealing with the breach;
- (b) financial loss due to loss of cash revenue of Bartercard, Service Fees, and any other fees and charges payable to Bartercard;
- (c) expenditure of funds in obtaining legal advice, and in instituting and prosecuting recovery action;
- (d) loss of the goodwill of Members towards the Trading Program and Bartercard;
- (e) loss of trading volume; and
- (f) loss of Members.
- 20.4 Damages for Breach Payable on Termination.** If a Member's right to participate in the Trading Program is terminated by Bartercard for a breach of these Rules, that Member must pay to Bartercard as a genuine pre-estimate of damages and not as a penalty Dhs 250.00 cash within twenty eight (28) days of the date of notice of termination of the right to participate. The provisions of this Rule apply in addition to and not in derogation from the provisions of the Rules applicable in the event that a Member ceases to be a Member of the Trading Program including, Rule 20.5.
- 20.5 Consequences of Termination.** Upon the termination of a Member's right to participate in the Trading Program:
- (a) **(Return cards etc)** The Member must immediately return to Bartercard all Member's Cards and used or unused Trade Transaction Vouchers, or other documents and property of Bartercard;
- (b) **(Fees debited)** All cash and Trade (Dirham) Transaction/Service Fees, Directory Fees and any other fees and amounts payable by it under these Rules shall be immediately debited from the Member's Trade Account;
- (c) **(Where credit balance)** If after debiting the amounts referred to in Rule 20.5(b), the balance in the Member's Trade Account is a credit balance:
- (i) that Member must immediately pay to Bartercard the amount of cash and Trade (Dirham) Transaction/Service Fees that would have become payable by it in the ordinary course of the Trading Program if that Member had entered into a Trade as a Buying Member in an amount sufficient to spend the amount of Trade (Dirham) standing to its credit;
- (ii) if the Member fails to pay the cash Transaction/Service Fees Bartercard, may debit the Member's Trade Account with an amount of Trade (Dirham) equivalent to three times the cash Transaction Fees so payable;
- (iii) after receipt of the cash Transaction/Service Fees, (or if the fees are not paid in cash, the debiting of the Member's account) Bartercard shall issue to the Member Gift Certificates expiring one hundred and twenty (120) days from the date of issue, having a Trade (Dirham) value equivalent to the remaining credit balance (if any) of the Member's Trade Account.
- (d) **(Where debit balance)** If after debiting the amounts referred to in Rule 20.5(b), the balance in the Member's Trade Account is a debit balance:
- (i) that Member must immediately pay to Bartercard the amount of cash and Trade (Dirham) Transaction/Service Fees that would have become payable by it in the ordinary course of the Trading Program if that Member had entered into a Trade as a Selling Member in an amount sufficient to bring its Trade Account to a nil balance;
- (ii) the Member has thirty (30) days within which to Trade as a Selling Member and in so doing reduce, so far as it can, the debit balance of its Trade Account;
- (iii) at the expiration of the thirty (30) day period, the Member must immediately pay Bartercard the amount of cash equivalent to the remaining debit balance in Trade (Dirham) of its Trade Account.
- (e) **(No refund of fees)** No fees or charges paid to Bartercard will under any circumstances be refunded.
- 20.6 Certificate as Evidence.** A certificate signed by a director or secretary or other person authorised by Bartercard is *prima facie* evidence and, in the absence of evidence to the contrary, is conclusive evidence:
- (a) that an amount stated in that certificate is due and payable by the Member to Bartercard in accordance with Rule 20.5 hereof;
- (b) that any other sum stated in the certificate is due and payable by the Member to Bartercard in accordance with these Rules;
- (c) of the amount of any interest payable by the Member to Bartercard in accordance with the provisions of these Rules; and
- (d) of any other fact, matter or circumstance whatsoever relevant to the dealings between the Member and Bartercard, or between the Member and Bartercard, or between the Member and another Member, in relation to the provisions of these Rules.
- 20.7 Enforcement Expenses.** If a Member is in default or in breach under these Rules, the reasonable amount of any enforcement expenses reasonably incurred or expended by Bartercard or Bartercard in exercising any right under these Rules or arising from the default or breach are immediately payable by the Member with effect from the date on which the enforcement expenses are incurred or expended by Bartercard or Bartercard.

PART IV - CREDIT LIMITS AND DEBT RESERVE FUND

21. TRADE (DIRHAM) CREDIT LINES

- 21.1 Initial Credit Limit.** Upon any person becoming a Member, or at any time and from time to time thereafter, Bartercard may grant to that person a line of credit in Trade (Dirham)

("Initial Credit Limit") in an amount and on terms consistent with that Member's creditworthiness and ability to repay;

21.2 Revised Credit Limit.

- (a) At any time after the expiration of six (6) months from the date upon which any Member became a Member, and from time to time thereafter, Bartercard may, upon the application of any Member grant to the Member a line of credit ("Revised Credit Limit");
- (b) The grant of a Revised Credit Limit shall be subject to the approval of Bartercard, who may grant or withhold its approval, or grant its approval unconditionally or subject to conditions.

21.3 Special Credit Limit.

- (a) At any time after a Member becomes a Member, a Member may apply for a line of credit ("Special Credit Limit") greater than the maximum Revised Credit Limit that is available to that Member;
- (b) An application for a Special Credit Limit may be supported by an offer of a Bill of Sale or charge over a tangible asset or a bank guarantee or a registered mortgage over real property and Bartercard may require the Member to contribute a further non-refundable amount to the Debt Reserve Fund as an initial lump sum payment or as a monthly payment or both;
- (c) The grant of a Special Credit Limit shall be subject to the approval of Bartercard, who may withhold its approval or grant its approval unconditionally or subject to conditions.

21.4 Trade Balance Beyond Credit Limit. Where:

- (a) in the case of a Member to whom Bartercard has not granted a line of credit, that Member's Trade Account is in debit, by any amount; or
- (b) in the case of a Member to whom Bartercard has granted a line of credit, that Member's Trade Account exceeds that line of credit by any amount; there will be payable to Bartercard by that Member:
- (i) the cash equivalent of that Trade (Dirham) amount; and
 - (ii) an additional monthly charge in cash equal to 2% of that amount.

22. DEBT RESERVE FUND

22.1 Purpose. A fund of Trade (Dirham) ("Debt Reserve Fund") shall be maintained for the purpose of injecting Trade (Dirham) into the Trading Program where Members are or may be unable to honour their obligations under the Trading Program.

22.2 Levy of Contribution.

- (a) Bartercard may levy contributions to the Debt Reserve Fund in Trade (Dirham);
- (b) The amount of the monthly Debt Reserve Fund contribution payable by each Member shall be Dhs 5.00 Trade (Dirham) unless Bartercard levies some other amount;
- (c) Bartercard may, in its absolute discretion levy from each Member in any month a contribution in Trade (Dirham) to the Debt Reserve Fund of not less than Dhs 1.00 Trade (Dirham) and not more than Dhs 10.00 Trade (Dirham).

PART V – MISCELLANEOUS

23. FRANCHISEES OF BARTERCARD

- 23.1 Grant of Franchises.** Bartercard may grant Franchises to Members ("Franchisees") providing such Franchisees with rights to conduct businesses involved in the facilitation of Trade transactions in the Trading Program between Members.
- 23.2 Role of Franchisees.** The role of a Franchisee is to recruit new Members to the Trading Program and to stimulate and facilitate Trade between Members. In consideration for these services, the Franchisee may receive a commission from Bartercard.
- 23.3 Independent Contractors.** Franchisees are independent business people, and in their capacity as Members in Good Standing may participate in Trades but do so solely on their own behalf, or on behalf of any Members who seek their services, and do not represent or act as agent for or otherwise on behalf of Bartercard.
- 23.4 Not a Party.** Bartercard is not a party to, and is not responsible for, any Trades or other transactions or dealings between Franchisees and Members.

24. DISPUTES BETWEEN MEMBERS

Any dispute that may arise between the Buying Member and the Selling Member shall be settled by the parties themselves. Bartercard is not obliged to resolve, arbitrate or mediate any disputes between Members.

25. CONFIDENTIAL INFORMATION AND RESTRAINT AGAINST COMPETITION

- 25.1 Access to Confidential Information.** From time to time whilst participating in the Trading Program a Member may have access to certain trade secrets or proprietary information of Bartercard consisting of technical information, methods, processes, trade secrets, formulae, compositions, systems, techniques, computer programs, research projects, business information, customer lists, pricing data, sources of supply, financial data and marketing, training, production or merchandising systems and plans and other information relating to the Trading Program confidential to Bartercard (the "Confidential Information").
- 25.2 Not Abuse Confidential Information.** A Member must not, whilst remaining a Member or at any time after ceasing to be a Member, make use of the Confidential Information either:
- (a) for the financial advantage or benefit of the Member or any other person; or
 - (b) to the detriment or disadvantage of Bartercard.
- 25.3 Restraint.** A Member may be or become a Member of any other trade exchange, and may participate in that trade exchange, but otherwise must not, without the prior written consent of Bartercard:
- (a) whilst continuing to be a Member, work for, engage in, or participate in any business competitive with the business of Bartercard; or
 - (b) remain a Member whilst any of its directors, shareholders, partners or proprietors or any other related party/family member associated now or in the past with the Member, works for, engages in, is or becomes a member of, or participates in any business competitive with the business of Bartercard; or
 - (c) at any time during any of the periods referred to hereunder, whether directly or indirectly and whether solely or jointly with or as director, manager, agent or servant of any person or corporation, carry on or engage in or be interested in or participate in any business which is competitive with the business of Bartercard, at any place within twenty-five (25) kilometres from a place at which any other Member carries on business as appearing from the most recent Directory published by Bartercard prior to the time of the Member ceasing to be a Member; that is to say, at any of the following times:
 - (i) at any time prior to the date being six (6) months after the Member ceases to be a Member;
 - (ii) at any time between the date referred to in Rule 25(c)(i) hereof and the date six (6) months thereafter.

26. TAXES

26.1 Collect. Selling Members shall charge any appropriate tax applicable (e.g. GST, excise) and collect and record these as required by law.

26.2 Bartercard not Liable. Under no circumstances will Bartercard be responsible to pay any tax applicable (e.g. GST, excise) on behalf of any Member.

26.3 Taxable Event. A Trade may be treated as taxable event for tax purposes and the obligation to declare, report and account for all tax purposes resulting from Trades rests with the Members participating in the Trade Transaction. Each Member hereby indemnifies Bartercard in respect of any penalty charge or cost which may be imposed or incurred in respect of any failure to comply with tax laws in respect of any Trade in which that Member participates.

26.4 Reporting of Transactions. Members acknowledge and agree that Bartercard may be required from time to time to make disclosure to the regulator of taxation and to other government authorities in relation to Trades. Bartercard is authorised to provide any information to and to co-operate in any way with such authorities, in such manner as it in its absolute discretion thinks fit, and whether or not Bartercard is obliged by law to furnish such information or to provide such co-operation. Bartercard is not liable to any Member in respect of information furnished to or co-operation with such authorities, in any circumstances whatsoever.

27. LEGAL LIABILITY OF BARTERCARD

- 27.1 No Liability to Procure New Members.** Whilst Bartercard shall use its best endeavours to procure new Members to the Trading Program who may have goods or services to satisfy the Trade needs of the Members, Bartercard shall, under no circumstances be liable for failure to procure new Members or retain existing Members.
- 27.2 No Warranty as to Availability of Particular Goods or Services.** Bartercard does not warrant the availability of any particular goods or services under the Trading Program. Bartercard shall not be responsible or in any way liable if a Member cannot obtain particular goods or services from other Members or if other Members do not buy goods or services from a Member.
- 27.3 Compliance With Laws.** All Members shall observe and comply with applicable laws and regulations when engaging in Trades.
- 27.4 Bartercard not Liable.** Bartercard shall not be responsible or in any way liable for or in respect of any failure of the part of any Member or Members to comply with such laws.
- 27.5 Disclaimer of Liability.** Bartercard makes no representation or warranty either express or implied and to the fullest extent permitted by law disclaim all liability arising out of or in connection with any Trade, including, without limitation, any liability for the fitness, quality, delivery date, merchantability, prices or any term of the Trade, and exclude any implied warranties on their part as to the fitness, quality or merchantability of any goods or services. In no event shall Bartercard be liable to the Member for any indirect, incidental, special or consequential loss or damage, loss of use, revenues, profits, goodwill, bargain or loss of opportunities, anticipated savings, loss of or corruption of data from any cause, whether arising from breach of contract, negligence or any other tort, in equity or otherwise and whether or not even if Bartercard was aware of the possibility of such loss or damage.
- 27.6 Unauthorised Use of Vouchers etc.** Bartercard will not be responsible for:
- (a) the use of Member's Cards, Transaction Vouchers, Gift Certificates or other authorised forms by Unauthorised persons; or
 - (b) transactions that are not conducted in accordance with the Rules.
- 27.7 Member's Indemnity for Failure to Perform.** Each Member agrees to indemnify and keep indemnified Bartercard and each of its directors, officers, employees, agents, independent contractors, subcontractors, and Franchisees in respect of any failure by that Member to perform its obligations under these Rules.
- 27.8 Member's indemnity for Claim, Debt or Liability.** Each Member agrees to indemnify and hold Bartercard and each of its directors, officers, employees, agents, independent contractors, sub-contractors and Franchisees harmless with respect to any claim, debt, or liability whatsoever arising out of or in connection with any Trade in respect of which that Member is or purports to be the Buying Member or the Selling Member.
- 27.9 Not Bound by Representations of Others.** The directors, officers, employees, agents, independent contractors, sub-contractors and Franchisees of Bartercard have no right to make any representation or commitment on behalf of Bartercard without written authorisation of the Board of each respective company or entity.

28. WAIVER

- 28.1 No Waiver.** Any failure or delay by Bartercard in exercising any right shall not operate as a waiver thereof, and any single or partial exercise of a right shall not preclude any other further exercise of any right.
- 28.2 Cumulative Remedies.** Bartercard's rights and remedies are cumulative and are not exclusive of any remedies provided by law.

29. INSOLVENCY OF MEMBER

- 29.1 Grant of Charge.** Each Member grants to Bartercard a charge over all Trade (Dirham) credited to that Member's Account for the amount of all unpaid Transaction, Service and Administration Fees, Directory Fees, and other fees and charges owed to Bartercard from time to time.
- 29.2 Where Insolvent Administration.** If a Member commits an act of bankruptcy, has a receiver, liquidator, provisional liquidator, administrator or controller appointed to it or any of its assets, makes any arrangement or composition with its creditors or becomes insolvent or bankrupt, then all cash Transaction/Service Fees, Directory Fees and other fees and charges shall immediately become due and payable in full. Bartercard has the option in lieu of continuing as a creditor, of treating the Trade (Dirham) balance in the Trade Account as equal in value to the amount of cash Transaction, Service Fees and Administration Fees, Directory Fees and other fees and charges owing, and terminating the Trade Account.

30. DISSOLUTION OF TRADING PROGRAM

- 30.1 Events Triggering Dissolution.** The Trading Program shall be dissolved in accordance with this Rule if:
- (a) an order is made that Bartercard be wound up (other than for the purpose of reconstruction or amalgamation); or
 - (b) a receiver or receiver and manager is appointed under any charge granted to Bartercard.
- 30.2 Procedure on Dissolution.** Upon the occurrence of an event referred to in Rule 30.1 the following procedure shall apply:
- (a) **(Inform Members)** Bartercard shall inform each Member that such event has occurred and draw their attention to the requirements of these Rules;
 - (b) **(Balancing Period)** Each Member and Bartercard shall be entitled to continue to Trade for a period of ninety (90) days (the "Balancing Period") for the purpose of bringing its Trade Account, as near as possible, to a zero balance, but no Member shall be obliged to Trade during this period;
 - (c) **(Members in credit - fees payable)** Each Member having a Trade Account with a credit balance at the expiry of the Balancing Period shall immediately pay to Bartercard:
 - (i) an amount in Cash, being the cash equivalent of the Trade (Dirham) Transaction/Service Fees that would have become payable in the ordinary course of the Trading Program if that Member had entered into a Trade as a

- Buying Member in an amount sufficient to spend the amount of Trade (Dirham) standing to its credit at the expiry of the Balancing Period; plus
- (ii) the cash Transaction/Service Fees that would have become payable in that event;
- (d) **(Members in debit - fees payable)** Each Member having a Trade Account with a debit balance at the expiry of the Balancing Period must immediately pay to Bartercard:
- (i) an amount in cash, being the cash equivalent of the Trade (Dirham) Transaction/Service Fees that would have become payable in the ordinary course of the Trading Program if that Member had entered into a Trade as a Selling Member in an amount sufficient to bring the amount of Trade (Dirham) standing to its Trade Account at the expiry of the Balancing Period to a nil balance; plus
- (ii) the cash Transaction Fees that would have become payable in that event; plus the cash equivalent of the debit balance of the Member's Trade Account;
- (e) **(Set off against Bartercards balance)**
- (i) during and at the expiry of the Balancing Period, any Trade (Dirham) payable to Bartercard shall be either set off against any deficit balance in Bartercard's Trade Account or added to any credit balance of Bartercard's Trade Account
- (ii) following the set off in Rule 30.2(e)(i), if Bartercard's Trade Account still reflects a deficit balance, Bartercard must convert any Member's cash indebtedness arising during the Balancing Period (in respect of Transaction/Service Fees) which are able to be charged to any Member during the Balancing Period, into a Trade (Dirham) fee of three times the Trade (Dirham) equivalent of the cash amount of such fees then outstanding and debit the Member's Trade Account with the Trade (Dirham) amount and credit Bartercard's Trade Account with that amount. However, such cash fees will only be converted into Trade (Dirham) fees to the extent that it is necessary to do so to ensure that Bartercard's Trade Account is, at the expiry of Balancing Period, no longer in deficit and any cash fees that are not required to be converted under this Rule may still be recovered by Bartercard in cash in accordance with Rule 30.2(i). If a Member's Trade Account is debited Trade (Dirham) as a result of the conversion of cash fees payable into Trade (Dirham) fees in accordance with this Rule, the Member is immediately released from any further liability with respect to those Trade (Dirham) fees charged to its Trade Account;
- (iii) in the event that Bartercard's Trade Account is and remains in deficit and there are insufficient cash or Trade (Dirham) fees generated at the expiry of the Balancing Period to set off the entire amount of any deficit balance in Bartercard's Trade Account, Bartercard's liability with respect to the deficit in its Trade Account is extinguished in consideration of Bartercard's agreement to direct the cash fees payable in accordance with Rules 30.2(c) and (d) of these Rules into the Dissolution Fund;
- (iv) if Bartercard's Trade Account is in credit at the expiry of the steps required to be taken under Rules 30.2(a)-(e) (inclusive), then Bartercard's credit balance will remain a credit balance of Bartercard and Bartercard will be eligible for any distribution made under Rule 30.2(k).
- (f) **(Strike accounts)** Bartercard shall strike accounts off the Trading Program;
- (g) **(Notify Members of fees payable)** Bartercard or any person appointed to do so by Bartercard shall notify each Member of the amount of its debit balance and demand payment of the amount required to be paid under Rules 30.2(c) and 30.2(d);
- (h) **(Dissolution Fund)** If Bartercard receives any monies under Rules 30.2 (c) or 30.2(d), it shall hold those monies in a separate bank account ("The Trading Program Dissolution Fund") on trust subject to this Clause 30, for the Members whose Trade Accounts are in credit;
- (i) **(Bartercard to recover fees)** After the giving of notice under Rule 30.2 (g), Bartercard shall use its best endeavour's to recover all amounts owing under Rules 30.2 (c) and 30.2(d) and it shall be no defence for any Member from whom payment is sought to be recovered, to contend that, by reason of any conduct of Bartercard, it was difficult or impossible to bring the Member's Trade Account to a zero balance during the Balancing Period or at any previous time;
- (j) **(Legal action by Bartercard)** Bartercard shall have no obligation to take or continue any legal action in respect of any amount owing by any Member where:
- (i) Bartercard perceives legal or practical difficulty in pursuing recovery;
- (ii) it appears to Bartercard that the amount that would or may be recovered will or might be exceeded by the cost of recovery;
- (iii) Bartercard, in his discretion considers that there is some other sufficient reason;
- (k) **(Distribution of Dissolution Fund)** Bartercard will distribute the Trading Program Dissolution Fund, after deduction of his or her proper costs and outlays, to the Members whose Trade Accounts were in credit at the time of dissolution, on a *pro rata* basis in accordance with the amounts by which those accounts were in credit at the conclusion of the Balancing Period;
- (l) **(Receiver's powers)** Any power or discretion exercisable by Bartercard under this Rule may be exercised by any receiver or receiver and manager appointed to Bartercard.

31. SEVERANCE

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

32. JURISDICTION

32.1 **Construction.** These Rules are to be construed and applied in accordance with the laws of *United Arab Emirates*.

32.2 **Submit.** In the event of any dispute or any action for enforcement of rights or obligations arising out of or in connection with these Rules, the Members shall submit to the jurisdiction of the courts of competent jurisdiction in the *United Arab Emirates*.

33. AMENDMENT OF RULES

33.1 These Rules may be amended only in accordance with the following:

- (a) Bartercard will notify the Members of any amendment of the Rules as soon as is reasonably practicable after the amendment has been promulgated;
- (b) A Member may give notice of its intention to withdraw permanently from the Trading Program within seven (7) days after receiving such notification;
- (c) A Member who has not given written notice to Bartercard of his intention to withdraw permanently from the Trading Program within seven (7) days after receipt of such notification shall be deemed to have waived any objection to the amendment of the Rules so notified to that Member, and thereupon the amendment shall have effect and the Rules as amended shall constitute a contract:
- (i) between Bartercard and all of the Members jointly;
- (ii) between Bartercard and each Member severally; and
- (iii) between each Member and each other Member;
- (d) Without prejudice to the provisions of Rules 2.2 and 2.3, a Member who participates in any transaction or dealing in accordance with the Trading Program shall be deemed to have waived any objection to any amendment of the Rules of which notice has previously been given as required in Rule 33;
- (e) A Trade in the Trading Program after that seven (7) day notice period, shall constitute and be deemed to be an acceptance by the Members involved in that Trade transaction of any amendment to the Rules.

34. GLOSSARY OF TERMS

34.1 The terms used in these Rules and the clauses in which they are defined are set out below:

TERM	RULE IN WHICH TERM IS DEFINED
Additional Cardholder	4.2
Administration Fee	15.2
Balancing Period	30.2
Buying Member	5.1
Confidential Information	25.1
Debt Reserve fund	22.1
Direct Trade	10.5
Directory	14.2
Directory Fee	15.3
Bartercard	1.2
Bartercard Services	12.1
Electronic Message	14.1
Fees with Voucher Member	15.4
Franchisees	23.1
Gift Certificate	6.3
Initial Credit Limit	21.1
Member	1.3
Member in Good Standing	4.1
Member's Card/Bartercard Card	13.5
Minimum Authorised Amount	7.1
Monthly Statement	9.9
Other Voucher	6.3
Overpricing	10.6
Poor Service	10.8
Revised Credit Limit	21.2
Rules	2.1
Selling Member	5.1
Special Authorisation	8.2
Special Authorisation Number	8.2
Special Credit Limit	21.3
Special Job or Order	8.1
Special Trade	8.1
Standby	10.3
Trade	5.1
Trade Account	5.2
Trade (Dirham)	3.1
Trading Program	1.1
Trading Program Dissolution Fund	30.2
Transaction/Service Fee	15.1
Transaction Voucher	6.1

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