

PTE

PREMIER TRADE EXCHANGE
MEMBERSHIP LEGAL PACKAGE

DOCUMENT 01

TRADE CREDIT, CASH SETTLEMENT AND CONVERSION TERMS

DOCUMENT VERSION

1.0

EFFECTIVE DATE

July 12, 2026

ISSUED BY

The RH Group LLC d/b/a Premier Trade Exchange

633 West Fifth Street, 26th and 28th Floors
Downtown Los Angeles, California 90071, United States

CURRENT CONSOLIDATED VERSION

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ATTORNEY-REVIEW NOTICE

This document is a comprehensive business contract template prepared for operational use. It is not legal advice and should be reviewed, localized, and approved by qualified counsel before execution or public deployment in each applicable jurisdiction.

IMPORTANT NOTICE

Trade credits are contractual accounting units recorded in the Premier Trade Exchange ledger. They are not legal tender, bank deposits, insured funds, securities, cryptocurrency, interest-bearing instruments, or guaranteed cash equivalents. Transactions may be settled in Cash, trade credits, or a combination of both. Eligible trade credits may be converted to Cash only through an approved mechanism and subject to verification, available liquidity, applicable law, provider requirements, and a 10% Conversion Transaction Fee unless a different signed rate applies.

ARTICLE 1 - SCOPE AND INCORPORATION

- 1 These Terms govern the creation, allocation, reservation, transfer, use, settlement, reversal, retirement, and approved Cash Conversion of trade credits.
- 2 They form part of the Membership Agreement and apply to every Member, Authorized User, Transaction, Trade Credit Account, and Conversion Request.
- 3 A Transaction Confirmation controls the transaction-specific amount, timing, release conditions, and settlement split.
- 4 No marketing statement, dashboard estimate, or oral statement changes these Terms unless incorporated into a signed agreement.

ARTICLE 2 - DEFINITIONS

"Available Balance" means trade credits not pending, reserved, restricted, disputed, expired, reversed, or subject to a hold. "Cash" means government-issued legal tender or cleared bank funds. "Cash Conversion" means an approved process under which eligible trade credits are sold, assigned, netted, redeemed, or otherwise settled for Cash through an approved mechanism. "Conversion Confirmation" means the transaction-specific record stating the approved gross amount, deductions, rate, beneficiary, and release conditions. "Gross Approved Conversion Amount" means the amount approved before fees and deductions. "Trade Credit" means a contractual accounting unit used to record or settle qualifying transactions in the Exchange ledger. "Trade Credit Account" means the ledger account maintained for a Member. "Trade Credit Component" means the portion of a Transaction Price settled in trade credits.

ARTICLE 3 - CREATION AND ALLOCATION

- 1 Only Premier Trade Exchange may create or authorize ledger issuance.
- 2 Trade credits may be allocated under a Membership Plan, approved schedule, completed Transaction, correction, reversal, or other documented mechanism.
- 3 Allocation does not by itself establish Cash value, immediate usability, unrestricted transferability, or Conversion eligibility.
- 4 PTE may require verification, signed schedules, transaction evidence, fees, reserves, and compliance approval before credits become Available.
- 5 Every allocation must have a traceable ledger reference and supporting authority.

ARTICLE 4 - MEMBER ACCOUNTS AND LEDGER RECORDS

- 1 Each Member receives one or more Trade Credit Accounts as approved by PTE.
- 2 Ledger records may show Available, Pending, Reserved, Restricted, Disputed, Reversed, Retired, or other statuses.
- 3 The authenticated PTE ledger is the System of Record, subject to correction for proven error.
- 4 Members must review statements and report suspected errors within 30 days unless a shorter transaction-specific period applies.
- 5 A Member must not create, duplicate, alter, counterfeit, pledge, or transfer ledger entries outside approved processes.

ARTICLE 5 - RESERVATION AND RELEASE

- 1 PTE may reserve trade credits for a proposed or binding Transaction.
- 2 Reserved credits cannot be reused, transferred, pledged, or submitted for Conversion.
- 3 Release occurs only when the Transaction Confirmation's conditions are satisfied.
- 4 A reservation may be released following expiration, cancellation, rejection, compliance failure, or other documented cause.
- 5 PTE may maintain holds during disputes, fraud reviews, sanctions reviews, chargebacks, or legal process.

ARTICLE 6 - TRANSFERS

- 1 Transfers require an authenticated instruction, sufficient Available Balance, valid authority, and compliance approval.
- 2 PTE may require multifactor authentication, dual approval, fresh verification, or supporting documents.
- 3 No transfer is final until the ledger status shows Completed.
- 4 A Member may not direct credits to an undisclosed person, shell entity, sanctioned person, or unauthorized beneficiary.
- 5 PTE may reject, delay, reverse, or suspend a transfer for fraud, error, illegality, duplicate processing, invalid underlying activity, or other contractual grounds.

ARTICLE 7 - PERMITTED USE

Trade credits may be used only to:

- 1 Settle approved purchases;
- 2 Pay an approved Trade Credit Component;
- 3 Satisfy permitted fees when expressly authorized;
- 4 Participate in approved netting or clearing;
- 5 Complete an approved Cash Conversion; or
- 6 Perform another documented Exchange function.

ARTICLE 8 - PROHIBITED USE

Members must not:

- 1 Represent trade credits as legal tender, deposits, investments, securities, or guaranteed Cash;

- 2 Use sham transactions to generate credits;
- 3 Structure activity to avoid verification, fees, taxes, limits, sanctions screening, or reporting;
- 4 Transfer credits for illegal goods, services, bribes, fraud, money laundering, terrorist financing, or tax evasion;
- 5 Sell Account access or credentials;
- 6 Use pending, disputed, reserved, or restricted credits;
- 7 Promise unauthorized conversion terms; or
- 8 Circumvent the Exchange.

ARTICLE 9 - CASH SETTLEMENT

- 1 The Cash Component of a Transaction must be paid through approved banking, payment, or escrow instructions.
- 2 Cash payment is complete only when cleared and irrevocably available.
- 3 Unexpected beneficiary or bank changes require enhanced verification.
- 4 PTE is not a bank, deposit-taking institution, or escrow holder unless a separate written agreement expressly states otherwise.
- 5 Bank, escrow, payment, foreign-exchange, tax, and provider charges are separate from PTE's fees unless expressly included.

ARTICLE 10 - CASH CONVERSION

- 1 Conversion is available only for eligible trade credits and approved Members.
- 2 A request is not approval and does not guarantee timing, amount, rate, jurisdiction, funding, or completion.
- 3 PTE may require proof of the underlying Transaction, ownership, Source of Funds, tax information, beneficiary verification, and compliance approval.
- 4 Each approved Conversion requires a Conversion Confirmation.
- 5 Unless another signed rate applies, the Conversion Transaction Fee is 10% of the Gross Approved Conversion Amount.
- 6 Net Cash Proceeds equal the gross approved amount less the 10% fee, taxes, withholding, bank charges, escrow charges, foreign-exchange costs, outstanding obligations, and other disclosed deductions.
- 7 Conversion is complete only after the approved funds are irrevocably released or received.
- 8 PTE may reject or delay Conversion when liquidity, compliance, provider, legal, technical, or transaction conditions are not satisfied.

ARTICLE 11 - FEES AND SETOFF

- 1 Members authorize PTE to calculate, invoice, deduct, or collect applicable fees.
- 2 PTE may apply contractual setoff against Cash proceeds, conversion proceeds, reserves, or permitted ledger balances.
- 3 Fees earned on completed services or completed Transactions are not automatically refundable.
- 4 A reversal or refund is governed by the Fee and Refund Policy.

ARTICLE 12 - REVERSALS AND CORRECTIONS

PTE may reverse or correct entries arising from:

- 1 Fraud;
- 2 Duplicate processing;
- 3 Mathematical or technical error;
- 4 Invalid or cancelled Transactions;
- 5 Valid returns or refunds;
- 6 Chargebacks;
- 7 Arbitration or court orders;
- 8 Compliance determinations; or
- 9 Other contractual grounds.

No correction may create double recovery.

ARTICLE 13 - EXPIRATION, SUSPENSION, AND RETIREMENT

- 1 Credits may expire only if the applicable plan, allocation, or Transaction document clearly states an expiration rule.
- 2 PTE may suspend use during investigation, default, membership suspension, or legal process.
- 3 Credits may be retired after use, reversal, settlement, expiry, abandonment, or another documented event.
- 4 Termination of membership does not automatically create a Cash redemption right.

ARTICLE 14 - TAX AND ACCOUNTING

- 1 Members are responsible for tax, barter reporting, valuation, recognition, withholding, and accounting treatment.
- 2 A trade-credit Transaction may be taxable even without Cash.
- 3 PTE statements are operational records, not individualized tax or accounting advice.
- 4 Members must maintain complete records and provide required tax forms.

ARTICLE 15 - SECURITY AND UNAUTHORIZED ACTIVITY

- 1 Members must protect credentials, devices, email accounts, authentication codes, and signing authority.
- 2 Suspected compromise must be reported immediately.
- 3 PTE may freeze Accounts, reset credentials, reverify users, or reverse unauthorized entries.
- 4 Members remain responsible for authorized users until removal is processed, subject to applicable law.

ARTICLE 16 - DISCLAIMER AND RISK

- 1 PTE does not guarantee that a Member can spend or convert its entire balance immediately.
- 2 Availability depends on matching, demand, eligible transactions, compliance, provider capacity, liquidity, law, and Member performance.
- 3 Trade credits can be subject to restrictions, disputes, reversals, or loss of utility.
- 4 PTE does not provide investment, tax, accounting, banking, or legal advice.

ARTICLE 17 - LIABILITY AND INDEMNIFICATION

- 1 Liability is governed by the Membership Agreement.

- 2 Members indemnify PTE and authorized service providers against third-party claims arising from unlawful use, false documentation, fraud, tax noncompliance, sanctions violations, unauthorized transfers, or breach.
- 3 Nothing excludes liability that cannot lawfully be limited.

ARTICLE 18 - RECORDS, NOTICES, AND DISPUTES

- 1 Records may be retained for at least seven years after the relevant relationship or Transaction.
- 2 Electronic notices and signatures are governed by the Electronic Communications Consent.
- 3 Disputes are governed by the Membership Agreement and applicable transaction documents.
- 4 Urgent relief may be sought to prevent unauthorized transfer, fraud, or destruction of records.

MEMBER ACKNOWLEDGMENT

The Member acknowledges that trade credits are contractual accounting units, not Cash; Conversion is separate and conditional; the standard Conversion Transaction Fee is 10%; and no allocation or balance guarantees a Cash result.

Member Legal Name: _____ **Authorized Signatory:** _____

Signature: _____ **Date:** _____
