

TRADEPAL FAQ

1. What are the benefits of joining TradePal?

There are many benefits: increased sales, improved cash flow, decrease in expenses by trading for products and services normally paid for with cash, new cash business as a result of word-of-mouth advertising from the membership, the use of trade dollars to advertise for cash business, gain an advantage over competition in the marketplace, increase purchasing power, enhance lifestyle, create a benefit and/or incentive program for employees, get free listings for your products and services, receive full and detailed accounting of all trade transactions, get 24 hour website access to account balance information, and get assigned your own dedicated Trade Broker for "sales" assistance.

2. What kind of businesses join TradePal?

Our best members (our highest volume traders) have some things in common: first, they are all *hungry* for new business. Typically, these are local businesses that advertise regularly and can handle the extra business. Secondly, their products or services enjoy a gross profit margin of 25% or better. The higher the margin, the more powerful the effects of trading become.

3. How does bartering (trading) increase a business's cash flow?

Any expense (business or personal) puts a strain on cash flow. When you turn a cash expense into something you pay for with trade dollars you free up your cash flow. Also, TradePal business frequently generates cash paying referrals. You can also spend trade dollars to attract more Canadian dollar business by advertising with our various media members.

4. What can I buy with TradePal dollars? Can I get anything I want on barter?

We have a long list of members from which you can purchase. Every month we add more members. We offer a wide selection of industry sectors, but there are some industry sectors that can't trade. Home Fuel Delivery, Tires, New Electronics, are a few industry sectors that don't have large enough profit margins to warrant trading.

5. What if I don't need the services of the company that wants to trade with me?

This question is a misunderstanding of how a trade exchange works. Your company may sell a product or service to another member, but that doesn't mean that you have to trade directly with them. At TradePal, we use a TradePal dollar to effect sales, which means you are free to spend these same trade dollars with *any* of the other TradePal members.

6. What happens if one of my Canadian Dollar clients is already a member of TradePal?

Your client stays a regular Canadian Dollar client. It is counterproductive to turn your cash paying customers into trade customers. TradePal is about finding you *new* business, not turning existing business into trade business.

7. How should I price my products and services on trade?

Charge the same prices as you would for a regular Canadian Dollar client. Note: there are no sales or discounts on trade. Trade sales charge full retail pricing.

8. Do members inflate their prices on trade?

No. Inflating the sale price of products and services on trade is against the rules. Members are required to trade their products or services at "the advertised or prevailing rate". If job quotes are used, we encourage our members to obtain various quotes to price compare. Members caught inflating their prices are suspended from trading. If a member does not abide by the "Membership Contract" or "Trade Rules", their membership is subject to termination.

9. Can my company charge part cash on a barter sale?

As a general rule "No". All trades must be 100% TradePal Dollars. There are some exceptions: transactions that exceed \$5000.00 may charge part cash (with advance approval from the TradePal Broker). A member may also collect cash for tips, or, charge in cash for disbursement fees (if these are typically charged separately).

10. How does TradePal charge for its service?

Typically, TradePal charges a 6% fee on every transaction – in a manner similar to a credit card. There are 6% fees on both purchases *and* sales. These fees are charged in Canadian dollars and appear on a monthly statement. There is also an annual renewal fee of 100 Trade dollars and \$95.00 Canadian dollars. This fee however, is only charged if the member has traded significantly over the last year.

11. Can you borrow trade dollars?

TradePal can issue loans similar to a bank, but in trade dollars. Credit is issued by the trade exchange based on a member's ability to repay a loan within a designated time period. Issued loans are typically for specific purchases. As a general rule, we do not offer loans or lines of credit to new members.

12. How are taxes handled when you conduct a trade sale?

If your business normally charges the HST, then you charge and collect the HST amount in trade dollars. Your business is responsible for reporting all trade sales to CRA. Trade dollar sales are taxed the same as a regular Canadian dollar sale. FYI: you cannot pay your taxes with trade dollars.

13. Can members sell used items on trade?

Yes, you can sell used goods on our website. These item(s) should be specified as *used*, and should be in good condition and priced at fair market value.

14. What if I have a problem with another member?

If you have a problem with another member, please notify your Broker immediately. Although we are not responsible for resolving disputes between members, we will, in most cases, try to help rectify the situation.

15. What if I need to temporarily halt trading?

TradePal recognizes that occasionally a member may need to temporarily halt trading to deal with sudden or unforeseen changes in their businesses. Accounts can also be placed on "Temporary Hold" if an account balance exceeds our suggested maximum of \$5,000.00 in trade sales. In such instances the TradePal Broker will help the member spend down their balance before re-listing the account to resume active trading.

16. What if I want to cancel my membership?

Not a problem. Membership in TradePal may be cancelled at any time. We do, however, demand that such requests be put in writing with plenty of advance notice. Exiting members must have a positive or zero account balance prior to cancelling. All outstanding fees (including future fees on existing trade balance) must be paid in advance. If there are transactions pending, these transactions must be completed before cancellation is final.