

TRADEPAQ™ for Exchanges & bolero.net™

Completing the e-business transaction™



Overview

Net Market Makers (exchanges, auctions, hubs, portals, 3PLs, e-banks) are quickly becoming a force in the Internet Economy. As this market role continues to grow, Net Markets are faced with a key challenge: when buyers and sellers meet at the Net Market and agree on a price for a transaction, what happens next?

In most cases, the buyer and seller are forced offline to create and execute contracts to reflect the terms, because the Net Market offers no means for the buyer and seller to close the deal. The Net Market cannot facilitate a binding, online contract and therefore limits beyond its role in price discovery and matchmaking. The buyer and seller are left alone to determine how to form a contract, execute it, and report and track the transaction in their systems.

The time and effort of going offline, and the uncertainty of a completed transaction, jeopardizes the value of the Net Market. Unconvinced buyers and sellers might revert to their traditional sales and purchasing processes.

Completing the Exchange transaction online is clearly the biggest challenge, since most Net Market Makers lack the infrastructure and tools to move beyond an online meeting place.

Now TRADEPAQ™ makes all of this easier. TRADEPAQ provides an integrated solution suite for Exchanges that delivers the means to enable buyers and sellers to complete guaranteed, binding contracts online.

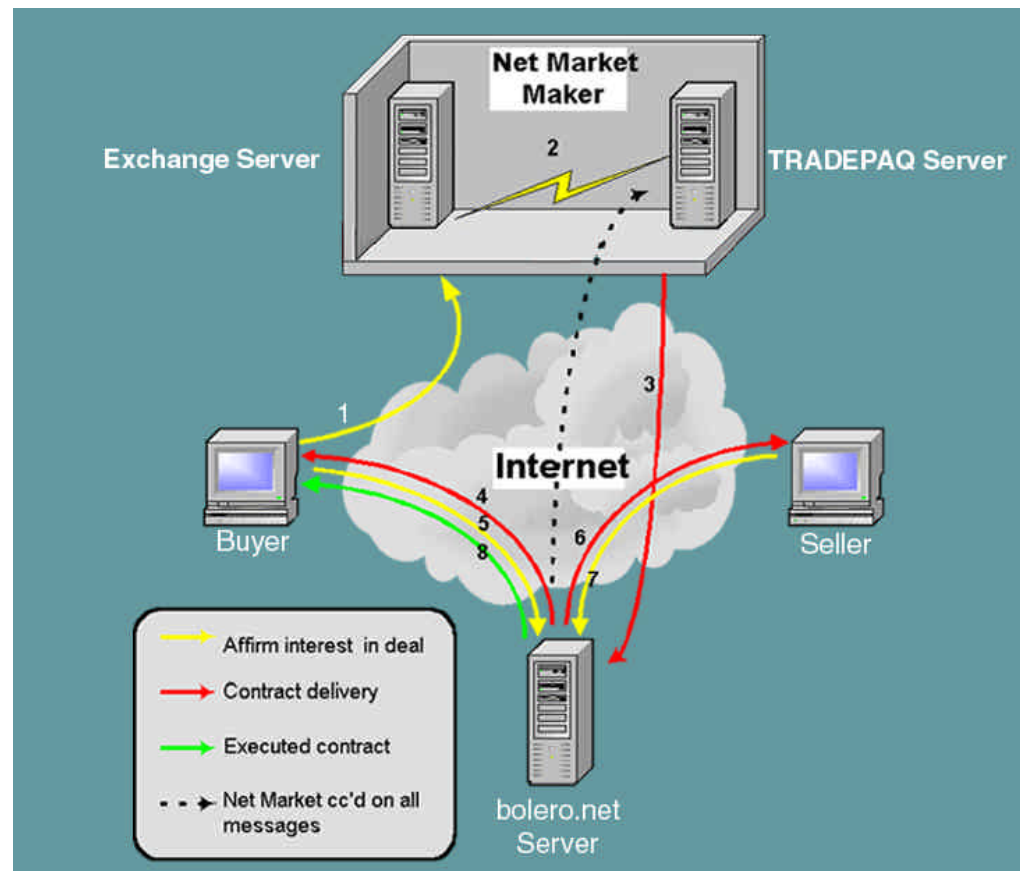
The TRADEPAQ™-bolero.net™ Solution

Once a buyer discovers a favorable price and terms for a transaction through a TRADEPAQ-enabled Exchange, the buyer executes a request. TRADEPAQ automatically generates a contract and sends it to the buyer in a secure, digitally signed message. The message is transmitted via bolero.net™, the neutral, cross-industry paperless trade infrastructure provider. After reviewing the contract, the buyer digitally signs it and

sends it to the seller. The transaction is binding once the seller digitally signs the contract returning it to the buyer and the exchange.

The TRADEPAQ-bolero.net solution provides Exchanges with:

- Authentication—Digital certificate e-based security authenticates buyer's and seller's identities.
- Certainty—Affirmation and



- 1—Buyer requests a purchase.
- 2—Exchange server notifies the TRADEPAQ server to generate a contract.
- 3—TRADEPAQ server sends the contract via in a bolero.net message.
- 4—bolero.net authenticates the message and forwards it to the buyer.

- 5—Buyer reviews and digitally signs the contract, and sends it to bolero.net.
- 6—bolero.net authenticates the message and forwards it to the seller.
- 7—The seller reviews and digitally signs the contract, and sends it to bolero.net
- 8—The buyer receives the completed contract, which is now binding to both buyer and seller.

confirmation of transactions via bolero.net. Digitally signed offers can be sent and/or confirmed to provide legal and non-repudiable proof of the transaction. Buyers and sellers complete the purchase process by securely exchanging contracts.

- Trust—The Bolero Rule Book give the exchanges the legal standards required in the international environment.

In addition, the contracts utilize bolero.net's™ validated XML standards solution that allows the buyer and seller to seamlessly “talk” to each other by automating their information exchange.

Benefits to Exchanges

Net Markets need to attract new members and, just as importantly, retain them for repeat business. As a simple matchmaker, a Net Market forces their members offline and gives them little incentive to return to the Exchange. TRADEPAQ attracts new members and retains them by enabling the Exchange to:

- Attract new members who demand more than price discovery and matchmaking.
- Guarantee online trade executions.
- Offer a secure, authenticated communications link to cross-platform, cross-industry systems.
- Establish trust between buyers and sellers, regardless of unfamiliarity or national origin.
- Stop losing users to offline re-orders, as members rely on the guarantees of a secure environment, the automatic contract generation and other value-added services.

Benefits to Exchange's Members

Exchange members will benefit from:

- Strengthened relationships in the Net Market community with new direct, secure connections across multiple computing platforms, applications and protocols.
- Shortened turnaround time for trade processing.

- Supply chain efficiencies for the Net Market community through shortened cycle times, lower inventories and reduced error rates by automating the links between trading partners.
- Improved cash flow by eliminating wait-time for documents.
- Shortened receivables cycle, netting faster payments with reduced order processing time.
- Reduced errors through purchase order integration.

Features

- Integrates with leading Net Market front-ends and back-end ERP applications.
- Supports full scalability as the Net Market grows.
- Automatic contract generation based on customizable rules that are suitable for the particular Net Market.
- Real-time visibility of the contract transaction status.
- Cross-platform, cross-industry, end-to-end processing via validated XML standards.
- Digital certificate-based authentication assures the identity of the buyer and seller.
- Affirmation and confirmation of contracts via digital signatures.
- A trustworthy international legal framework.
- Integrates with other TRADEPAQ solutions.



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