

TELPAY FOR BUSINESS SERVICES AND LICENCE AGREEMENT

(v1.7 April 2012)

BETWEEN:

TELPAY INCORPORATED,
a corporation incorporated under
the laws of Canada
(hereinafter referred to as "Telpay")

- and -

**The "Customer" being the person, organization or corporation
identified in the Application previously provided by
the Customer to Telpay and signed by the Customer or the Customer's
appropriate Authorized Account signing officer(s)**

By use of the Telpay for Business Services, the Customer acknowledges that the Customer has received an Initial Telpay Access Number (nnnnnn) and Initial Personal Identification Number ("PIN") whereby the Telpay for Business Services may be activated. The Customer further acknowledges that by utilizing the Initial Access Number and Initial PIN to activate the Telpay for Business Services, the Customer has read this Agreement and has understood and agreed with Telpay to all of the terms and conditions of this Agreement. The Customer agrees that the duly signed Application previously provided by the Customer to Telpay represents the Customer's authority for Telpay to process transactions in accordance with this Agreement.

The Customer agrees that the following information included in the application form is correct:

Date of Agreement: _____
Name on Account: _____
Financial Institution: _____
Bank Account Number: _____
Type of Pre-Authorized Debits: **Business**
Customer Access Number: _____

To be completed on
Confirmation of Agreement
which will be emailed to you.

1. Definitions

In this Agreement, these terms have the following meanings:

- (a) "Authorized Account" means the Customer's Canadian financial institution account that the Customer authorizes Telpay to debit for funds to cover bill payments, funds transfers, direct deposits to bank accounts and for fees chargeable by Telpay in accordance with this Agreement. Telpay is also authorized to credit this account for funds collected on behalf of the Customer;
- (b) "Billor" means a person, organization or corporation to whom the Customer has directed Telpay to make a payment and, where applicable, send details of the payment as provided by the Customer;
- (c) "Telpay for Business Services" means the payment of Billers, direct deposits to bank accounts and pre-authorized debit services made by Telpay on behalf of the Customer in accordance with the terms and conditions of this Agreement;

- (d) "Direct Deposits" means a file of payments such as payroll payments to employees which the Customer has transmitted to Telpay for processing to the designated bank accounts;
- (e) "Pre-Authorized Debits" means a file of debits such as for collection of regular monthly dues to be processed on behalf of the Customer;
- (f) "Personal Identification Number" or "PIN" means the confidential numerical code used by the Customer to verify the Customer's identity to Telpay;
- (g) "Initial Personal Identification Number" means a confidential numerical code which will be supplied to the Customer in the form of a credit/debit to the Customer's bank account to which this Agreement applies;
- (h) "Telpay Access Number" means the numerical code provided by Telpay to identify the Customer to Telpay;
- (i) "Telpay for Business Software" means software supplied by Telpay via electronic transmission or computer disc which enables the customer to generate payment instructions, funds transfers, direct deposit files and collection files for transmission to Telpay and to generate associated accounting information for use by the Customer;
- (j) "Telpay for Business WebPay Service" means an Internet system the Customer can connect to which enables the Customer to generate payment instructions to certain Billers who have agreed with Telpay to accept payments and payment details via this service.

2. General

This Agreement shall apply to each transaction, and replaces all prior agreements relating to this Telpay Access Number between Telpay and the Customer for transactions relating to the Telpay for Business Services. The following general terms and conditions will apply to all transactions:

- (a) Telpay is in the business of providing the Telpay for Business Services on behalf of customers who have made valid arrangements with Telpay to process such transactions;
- (b) Telpay for Business Services instructed by the Customer to be made and received by Telpay shall be processed through a trust account (the "Trust") established by Telpay at Telpay's sole expense for the purpose of keeping the Trust's funds separate from Telpay's other funds, it being acknowledged and agreed by the Customer that the Trust established by Telpay may include funds from other customers of Telpay utilizing the Telpay for Business Services or other services provided by Telpay, but in no event shall the Trust include any Telpay funds, such as but not limited to, Telpay's income, operating accounts or investments;
- (c) Telpay shall retain the Trust's funds on deposit at any Canada Deposit Insurance Corporation insured institution, provincial government insured institution or similarly guaranteed depository, where Telpay shall be entitled to invest the Trust's funds and to retain for its own purposes any interest earned thereon and shall not be accountable to the Customer for such interest;
- (d) Telpay shall not be obliged to make any payment or remit any collection on behalf of the Customer unless Telpay has received in the Trust the confirmed funds necessary to make the payment or Telpay has a guarantee or other assurance satisfactory to Telpay that the funds are available to cover any debit to the Customer initiated by Telpay to make any payment authorized by the Customer;

(e) each payment instruction from the Customer shall create a debt of such amount (plus the applicable Telpay fees) from the Customer to the Trust. In the case of debts arising from payment of wages by the Customer to the Customer's employees, Telpay shall have all the rights of recovery of any debt otherwise available to employees. Debts shall be debited to the Authorized Account or otherwise settled as required by Telpay;

(f) the Customer agrees that the Customer will not instruct the Customer's financial institution to reverse or stop payment on any debits to the Authorized Account that have been generated through use of the Telpay Access Number;

(g) as established by the Canadian Payments Association (CPA) Telpay acknowledges that the Customer has certain recourse rights if any debit does not comply with this agreement or the Customer's instructions. To inquire about these rights as they pertain to your payments please contact Telpay at 1-800-665-0302 or alternatively you can obtain more information from the CPA (www.cdnpay.ca.) or your financial institution;

(h) because the Customer has initiated the payment instructions to be carried out by Telpay, the Customer agrees not to require prior notification of the amount of the PAD. Notwithstanding the above, Telpay may confirm by email, receipt of your payment instructions;

(i) in the event that any payments are authorized by the Customer to be paid by Telpay and payment is made by Telpay to a Biller, but the Customer's financial institution fails to honor the withdrawal of funds required to make such payments, the Customer shall pay the amount required to reimburse Telpay forthwith upon demand. The Customer further agrees that Telpay shall, as an alternative, be entitled to recover the amount paid by Telpay from the Biller and for so doing the Customer hereby appoints Telpay as the Customer's duly authorized attorney to demand and receive any and all such sums so paid to the Biller;

(j) Telpay for Business Services fees payable to Telpay by the Customer may be added to all debits for funds required or subtracted from all credits for funds collected by Telpay, as the case may be;

(k) the Customer shall provide Telpay with all necessary information to complete each transaction on a timely basis, and the Customer shall be solely responsible for the accuracy and completeness of all such information supplied to Telpay;

(l) the Customer is solely responsible for restricting access to the Telpay Access Number and PIN of the Customer for the use of the Telpay for Business Services to persons authorized to perform the functions that can be effected by the Telpay for Business Services;

(m) the Customer acknowledges and agrees that the Customer shall maintain sufficient balances in the Authorized Account to make all payments authorized by the Customer and to pay all Telpay for Business Services fees payable to Telpay by the Customer, and further agrees that Telpay shall not be liable for any overdraft or insufficient funds charges including, but not limited to, interest, penalties, late fees or similar charges relating to the Authorized Account;

(n) the Customer shall always keep the Telpay Access Number and PIN strictly confidential, and if the Customer knows or suspects that an unauthorized person knows or may know the Customer's Telpay Access Number and/or PIN, the Customer shall immediately notify Telpay to change the Telpay Access Number and/or PIN;

(o) the Customer acknowledges and agrees that Telpay may set one or more limits on dollar amounts or otherwise for transactions that may be made through the Telpay for Business Services from time to time and that Telpay may change these limits periodically. Telpay shall provide notice to the Customer of any limits relating to the Customer's transactions;

(p) the Customer acknowledges and agrees that Telpay reserves the right to refuse or delay providing the Telpay for Business Services for a specific transaction provided that Telpay promptly notifies the Customer of such refusal or delay;

(q) The Customer will designate an individual to be the Customer's systems administrator who will be authorized to sign on the Authorized Account. The Customer's systems administrator will have the sole authority to provide other authorized personnel of the Customer with access to the Licenced Software (as hereinafter defined), to perform administration functions and to be the Customer's primary contact person for Telpay.

3. Telpay for Business Services Software Licence

The Customer acknowledges that the Customer may choose to utilize Telpay for Business Services either by utilizing Telpay for Business Software or Telpay for Business WebPay Service. Telpay hereby grants to the Customer a limited, non-exclusive, non-transferable, revocable licence to use the software and related documentation (the "Licenced Software") to access the Telpay for Business Services. The Customer acknowledges that the Licenced Software is the exclusive property of Telpay and that it contains proprietary and confidential information and trade secrets of Telpay and that the Customer agrees that its right to use the Licenced Software to access the Telpay for Business Services is only as set out in this Agreement. The Licenced Software is licenced to the Customer by Telpay and not sold, assigned or transferred, and Telpay has and shall retain at all times all ownership rights, trademarks and copyrights in and to the Licenced Software. Apart from the terms and conditions of this Agreement, this Agreement does not grant the Customer any intellectual property rights in the Licenced Software.

The Customer shall not, without the prior written consent of Telpay, which consent may be withheld arbitrarily or otherwise by Telpay:

- (a) use the Licenced Software except as expressly provided in this Agreement;
- (b) make copies of or distribute or authorize the copying or distribution of the Licenced Software;
- (c) make alterations, enhancements or modifications to the Licenced Software or any part of the Licenced Software;
- (d) reverse engineer, decompile or disassemble the Licenced Software.

In the event that the Customer breaches any of the foregoing provisions, the Customer agrees to indemnify and hold Telpay harmless from and against all costs, losses or damages (including attorney's fees on a solicitor and own client basis) suffered or incurred by Telpay as a result of such breach. The Customer further acknowledges that in the event of a breach of any of the provisions of this Section, damages will not be an adequate remedy, and that Telpay shall be entitled to equitable relief including an injunction.

The obligations of the Customer under this Section shall survive termination or expiration of this Agreement until such time as the Licenced Software comes into the public domain through no fault of the Customer, or its officers, directors and employees.

4. Processing Payments to Billers

- a) Subject to Subparagraphs 2(d), (o) and (p), Telpay will process the payments and collections as instructed by the Customer;
- b) Telpay may, in its sole discretion, withhold payment to Billers until funds have been received in its bank account to cover the payments or sufficient time has passed since the date Telpay has debited the Customer to ensure that the debit has been accepted by the Customer's financial institution;
- c) Telpay may consolidate payments from other Telpay customers to provide a combined payment and list of details for more efficient processing by the Biller;
- d) Telpay may make such other arrangements with Billers for providing efficient processing of payments provided such arrangements do not in any way negatively impact the Customer;
- e) Payments by Telpay will normally be made by electronic credit to the Biller; however where Telpay determines that payments must be made by cheque, the Customer will be advised with their monthly bill for services.

5. Processing Direct Deposits

The Customer shall forward to Telpay the necessary information to complete each direct deposit, which information shall be provided to Telpay such number of days prior to the direct deposit date as may be directed by Telpay from time to time.

The direct deposits requested by the Customer shall be made from funds paid to Telpay by the Customer for that purpose and not before confirmation has been obtained by Telpay that the required funds have been received in the Trust, unless otherwise agreed to in writing by Telpay.

6. Processing Pre-authorized Debits for the Customer

The Customer in directing Telpay to collect pre-authorized debits ("PAD's"), warrants and guarantees to Telpay that each payor on whose behalf any debit has been drawn will have signed and delivered to the Customer a written request authorizing the Customer to issue debits and, where applicable, given a direction pursuant to such a written request to issue a debit as though it were signed by such payor and authorizing such direction to be acted upon as though it were a written direction signed by such payor. The written request must conform in all respects to the provisions of the CPA rules in force from time to time as they apply to PAD's.

Funds received by Telpay as a result of collection of PAD's will be transferred to the Authorized Account on the date specified for collection or the date processed by Telpay, whichever is the later, except that Telpay shall have the right to withhold credit if, in its sole discretion, Telpay believes that collection may not be effected. Telpay shall have the right to charge back to the Customer any collection returned unpaid to Telpay regardless of the reason for the return.

The Customer undertakes to make available for inspection, upon the request of Telpay, the payor, the payor's financial institution, or an authorized representative of the payor, the authorization of any payor for whom the Customer has issued or caused to be issued any PAD's. The Customer shall be solely responsible to ensure that the payor's authorization is by a valid signing authority for the account.

7. Changes to Telpay for Business Services

The Customer acknowledges and agrees that Telpay shall have the right to make changes to the Telpay for Business Services provided that the standard of performance and efficiency of the Telpay for Business Services are maintained or improved as a result. The Customer acknowledges and agrees that by utilizing the Access Number and PIN following receipt of the changed Telpay for Business Services, the Customer shall be or shall be deemed to be in agreement and acceptance of such changes. In the event that such changes are not acceptable to the Customer, the Customer shall be entitled to terminate this Agreement immediately upon the date that Telpay implements such changes.

8. Limited Liability for Damages

Telpay represents and warrants that it will use due care in providing the Telpay for Business Services and will use its best efforts to meet the requirements of the Customer, and in the event that late charges are assessed against the Customer or customers of the Customer or others as a result of late payment of accounts due to the negligence or fault of Telpay, Telpay will pay such late charges which the Customer, customers of the Customer or others may be required to pay. In no event shall Telpay be liable to pay such late charges where Telpay has refused or delayed providing the Telpay for Business Services in accordance with Subparagraphs 2 (d), (m) or (n) or where Telpay has suspended the provision of the Telpay for Business Services in accordance with Paragraph 16.

9. Exclusion of Liability

Except in the case of gross negligence on the part of Telpay, Telpay shall not be liable for any loss or damage suffered by the Customer, customers of the Customer or others arising out of or in any way connected with the fraudulent or unauthorized use of the Telpay for Business Services, or by processing delays by a Biller after Telpay has remitted payments to such Biller.

In no event shall Telpay be liable for any indirect, consequential or incidental damages, including loss of profits, suffered by the Customer, customers of the Customer or others arising out of or in any way connected with this Agreement, the Licenced Software, the use of same, or Telpay's performance or failure to perform hereunder, even if Telpay has been advised of the possibility of such damage, or if such loss or damage was reasonably foreseeable or even if such loss or damage arose as a result of a breach of a fundamental term of this Agreement or the negligence of Telpay, its agents, representatives or employees.

10. Indemnity by the Customer

When utilizing the Telpay for Business Services, the Customer shall indemnify and save Telpay harmless from and against any and all loss, damage or liability whatsoever, including lawyer's fees on a solicitor and own client basis, which Telpay may suffer or incur, including, without limiting the generality of the foregoing, any loss, damage or liability by reason of:

- (a) inaccurate and incomplete information being supplied by the Customer to Telpay;
- (b) the failure of the Customer to notify Telpay of irregularities or errors in the listing of direct deposits provided to the Customer by Telpay prior to the release of the direct deposits to financial institutions;
- (c) the failure of a financial institution to process properly, or on a timely basis, information provided by Telpay;

(d) improper authorization or approval instructions received by Telpay from the Customer.

11. Delays

Except as otherwise expressly provided in this Agreement, neither Telpay nor the Customer shall be responsible for delays or failure in performance resulting from acts beyond the control of either party ("Delays"). These acts shall include, but not be limited to, acts of God, Internet, telephone, electronic, computer, communications or power disruptions, strikes, lock-outs, riots, acts of war or terrorism, epidemics, governmental regulations superimposed after the fact, fire, earthquake, floods, or other disasters. For greater certainty, neither party's financial condition nor inability to pay shall be a basis for excusing performances of any of that party's obligations pursuant to this Agreement. The dates and times for performance (other than the payment of money due Telpay), shall, in conformity with this Agreement, be postponed automatically to the extent and for the period of time that Telpay or the Customer, as the case may be, is prevented from meeting them by reason of the above mentioned causes, provided that the affected party uses all reasonable efforts to recommence performance wherever and to whatever extent possible without delay.

12. Licence and Service Fees

The Customer shall pay Telpay a one-time Software Licence fee, a service fee with respect to each Telpay for Business Services transaction processed by Telpay, a monthly fixed fee and other service fees in accordance with the fee schedule included with the Licenced Software and available from Telpay on request. The fee schedule may be changed by Telpay from time to time upon thirty (30) days written notice to the Customer, which notice may be provided in an electronically transmitted format. The Customer acknowledges that continued use of the Telpay for Business Services by the Customer after the implementation date of fee schedule changes shall constitute acceptance of the fee schedule changes by the Customer.

Telpay has the right to charge different fees for different types of payments based on the risks, volumes, customer and system support, and services provided, regardless of the manner in which the Customer accesses the Telpay for Business Services. Telpay also reserves the right to refuse to provide all or parts of the Telpay for Business Services based upon the same considerations.

13. Referral Fees

The Customer acknowledges that Telpay may pay a fee to a party who has recommended use of the Telpay for Business Services to the Customer. Telpay will disclose to the Customer whether or not it has paid such a fee upon request from the Customer.

14. Representation of Telpay

Telpay undertakes to maintain coverage of employee dishonesty in the form of a Comprehensive Dishonesty, Disappearance and Destruction Bond in the amount of ten million dollars (\$10,000,000.00).

15. Customer Information Confidentiality

Telpay acknowledges that it may from time to time under this Agreement have or be given access to various data and other information proprietary or confidential in nature to the Customer. Telpay agrees, if this access is obtained, to respect and safeguard the proprietary and confidential nature of such data and information. Specifically, but without limitation, Telpay agrees:

- (a) not to use any documentation, data, including compiled data by Telpay, or any other material made available to it by the Customer or the Customer's customers pursuant to this Agreement in any way whatsoever save and except as provided herein without the prior written consent of the Customer;
- (b) not to make any of the aforementioned material available to any person or entity other than those employed by Telpay on a need to know basis;
- (c) to comply with the provisions of the Personal Information Protection and Electronic Documents Act (Canada) and regulations thereunder as may be amended from time to time, when such Act is proclaimed in force.

The Customer acknowledges and agrees that Telpay may from time to time obtain credit reports relating to the Customer, and that Telpay may disclose such information about the Customer as may be necessary to obtain such credit reports. The Customer further acknowledges and agrees that Telpay may from time to time disclose such information about the Customer to Billers or financial institutions as may be necessary to trace the Telpay for Business Services.

16. Suspension of Telpay for Business Services

Notwithstanding any provision of this Agreement to the contrary, Telpay shall have the right to immediately cease to provide the Telpay for Business Services in the event that the Customer fails to pay any licence or services fees payable to Telpay when due, or if the Customer fails to provide accurate or complete information to Telpay, or a transaction authorized by the Customer becomes the subject of an NSF, stop payment or reversed funds process or the Customer breaches any of the terms and conditions relating to the Software Licence, or Telpay in its sole and absolute discretion considers the Customer at any time to be a credit risk, provided that Telpay promptly notifies the Customer of such suspension of the Telpay for Business Services.

17. Termination

This Agreement may be terminated by either party giving the other party thirty (30) days notice in writing.

This Agreement may be terminated by either party, immediately, if the other party becomes insolvent, or makes an assignment for the general benefit of creditors, or any proceedings are commenced by or against the other party under any bankruptcy or insolvency laws for proceedings for the appointment of a custodian, receiver or receiver-manager or any other official with similar powers and are not dismissed or withdrawn within sixty (60) days, or if the other party ceases to carry on business.

In the event this Agreement is terminated for any reason whatsoever, the Customer acknowledges and agrees that:

- (a) the obligations of the Customer to make payments to Telpay and to protect and maintain the confidentiality of the Licenced Software shall survive such termination;
- (b) the Customer shall immediately cease to use the Licenced Software and shall immediately return the Licenced Software to Telpay if the Customer received the Licenced Software by way of disc or shall delete the Licenced Software from computer memory in the Customer's computer system if the Customer downloaded the Licenced Software, and the Customer shall provide Telpay with a written declaration stating that the Licenced Software has been returned to Telpay or deleted from computer memory by the Customer and that the Customer has not made or retained any copies of the Licenced Software.

18. Severability

In the event any provision of this Agreement is held to be invalid or unenforceable, that provision shall be severed from this Agreement and the other provisions shall remain in full force.

19. Assignment

This Agreement may not be assigned by the Customer except with the prior written consent of Telpay, which consent may not be unreasonably withheld. This Agreement or portions of the Telpay for Business Services may be assigned by Telpay without the prior written consent of the Customer.

20. Successors to the Agreement

This Agreement shall enure to the benefit of and be binding upon the parties hereto, and their respective successors and permitted assigns.

21. Amendment

This Agreement may be amended from time to time by Telpay upon thirty (30) days written notice to the Customer, and the Customer acknowledges and agrees that by utilizing the Access Number and PIN following receipt of such notice of amendment, the Customer shall be or shall be deemed to be in agreement and acceptance of such amendment. In the event that such amendment is not acceptable to the Customer, the Customer shall be entitled to terminate this Agreement immediately upon the date that Telpay implements the amendment.

22. Notice

Any notice, direction or other instrument required or permitted to be given to Telpay shall be in writing and may be given by fax, e-mail, postage prepaid mail or delivery addressed to Telpay, 298 Garry Street, Winnipeg, Manitoba, R3C 1H3, fax 204-947-2591, e-mail sales@Telpay.ca. Any notice, direction or other instrument required or permitted to be given to the Customer shall be in writing and may be given by fax, e-mail, Licenced Software updates, postage prepaid mail or delivery addressed to the Customer at the address last appearing on Telpay's records.

Any notice, direction or other instrument aforesaid, if delivered, sent by email or facsimile shall be deemed to have been given or made on the date on which it was delivered or sent, and if by mail, shall be deemed to have been given or made five (5) days after mailing. In the event of a postal disruption or threatened postal disruption all notices required to be given hereunder shall be delivered or sent by email or facsimile.

The Customer or Telpay may change its address for service and other information (i.e. banking account numbers) from time to time by notice given in accordance with the foregoing.

23. Language

Applicable to the Province of Quebec only: it is the express wish of the parties that this authorization and any related documents be drawn up and executed in English. Les parties conviennent que la présente autorisation et tous les documents s'y rattachant soient rédigés et signés en anglais.

24. Jurisdiction

This Agreement shall be governed by the laws of the Province of Manitoba and Canada, and the parties hereby attorn to the jurisdiction of the Courts of the Province of Manitoba.