

The following information is provided to assist auditors examining the use of the TelPay for BusinessSM system for making payments.

(a) Please refer to TelPay's website (www.telpayforbusiness.ca) for general information about the use of the system. Other PDF's that may be of interest include: "Payment and Collection Features", "Suggested Procedures for Payment Processing" and "Customer Agreement".

(b) Each session is sequentially numbered and a report of all activity during that session is produced at the time the details of the session are transmitted to TelPay. This includes all significant changes to the system administration section such as changes to user ID's and GL account numbers. Session reports can be recreated from the systems history module.

(c) A complete history of all transactions sent to TelPay is maintained on the customer's computer and is easily accessible using the TelPay for BusinessSM software. The history is accessible by date, Biller and session number. Easy access to a particular biller's history is available as a payment is being entered. TelPay also maintains a history of transactions processed. If the bill paid is an e-bill, its image is retained in the history file.

(d) Certain data is maintained in encrypted form; i.e., bank account numbers and system administration data.

(e) Data is protected from unauthorized access. The TelPay for BusinessSM software provides the user with a data backup feature that should be invoked after each file of payments is sent to TelPay. An alternative transmission method (dial up) is available if needed. TelPay also retains a record of all payments made. A second Internet site (www.telpay.com) is available for use by TelPay customers.

(f) Provision is made for creating a backup file after each session. Due to the nature and use of the data, this is highly recommended.

(g) Funds are handled entirely through the TelPay Incorporated Trust Account. Trust funds are not co-mingled with corporate funds.

(h) Payments are made according to the availability of the customers secure funds in the TelPay Trust Account. Payments are made electronically except where we have not yet been able to obtain a bank account number from the biller, in which case a cheque will be issued.

(i) The TelPay for BusinessSM software is password protected. Different parties may be registered for different levels of access to the system. All such registrations and other administrative changes are under the control of one or more system administrators who should be signing officers for the bank account being debited by TelPay.

(j) Transmission of payments may be authorized by one or two persons. If two persons are specified, then both must approve the payment session before transmission is possible. A secure method of providing approval remotely by email is provided.

(k) Each payment to a Biller may be supported by a printed voucher if this feature has been turned on (see Add New Billers or View/Modify Billers). It is assumed that the voucher form may

be filed with supporting invoices evidencing payment. The payments are also summarized on the session report (see (b) above).

(l) Fees are calculated using a table that can be accessed from the Main Menu. The table is updated when required, by TelPay. Notice is provided at the time of each update.

(m) System updates are made automatically, if required, at the end of a transmission session. This may include TelPay's Standard Biller list updates, certain subroutine updates such as error checking and the update of the Fee Schedule.