



35TH ANNIVERSARY
SPECIAL EDITION

Excellence in Electronic Payment Processing



MISSION

Earning Canadians' trust with reliable, convenient, and secure payment solutions.

VISION

To be Canada's trusted leader providing innovative payment solutions.

VALUES

- Integrity
- Valuing Our People and Partners
- Exceptional Customer Experiences
- Innovative Solutions

The year 2020 will certainly go down in history as a year of global challenge and unrest. But it has also been a year of care, resourcefulness, and resilience. The year started out business as usual for Telpay, with the added celebration of our 35th corporate anniversary. As Canada's trusted leader in the fintech industry, Telpay is the longest established stronghold in electronic payments. After all, Telpay began before the transformation brought about by the internet.

COVID-19 has tested everyone's capacity to manoeuvre quickly, and Telpay was no different, forcing our entire workforce to home offices while maintaining all systems running. Although these times have challenged us, we remain committed to delivering excellence in customer experiences and innovative solutions. As 2020 has come to a close, our team remain at home in their remote work environments with plans to return to the workplace only when it is safe to do so.

The year 2020 also marks the retirement year of Telpay founder, innovator, and communitarian Bill Loewen. It has been a pleasure to work with Bill throughout these past years. Bill's career spanning over 5 decades, has influenced the financial management of the nation. Bill has received many recognitions for his business and community involvements including the Order of Canada, the Order of Manitoba and his appointment as Fellow of the Institute of Chartered Accountants. I have been fortunate to be able to call him a mentor and friend.

With a plan to transition into the future, we also announced that Telpay has been acquired by the Winnipeg ownership group with controlling interests in Payworks, a cloud-based

workforce management solution. This ownership group is committed to investing in technology to further solidify and elevate Telpay as Canada's electronic payments leader.

Throughout this changeover, Telpay will continue to operate independently to focus on what we do best—delivering value to our customers with efficient, cost-effective payment solutions. In this historic year of 2020, we recognize our civic commitment in the face of the larger threat of climate change. We have adopted a corporate Environmental Action Plan including a major gift to Winnipeg's Million Tree Challenge through Tree Canada of \$250,000 over 5 years.

This gift of planting trees resonates with one of the early motivations of Telpay—to eliminate the paper cheque, and in so doing, to create carbon savings. We recognize our corporate leadership within the business community and are pleased to be founding members of BizforClimate. With this, we take our place in the global movement to care for our natural environment for the benefit and security of present and future generations.

Cora Jalonen, CPA, CGA, CIA
CEO



TOP: Presenting a tree to Mayor Brian Bowman on behalf of Telpay at the event announcing our pledge of \$250,000 to the Winnipeg Million Tree Challenge. From left to right: Deputy Mayor Markus Chambers, Tree Canada CEO Danielle St. Aubin, Telpay CEO Cora Jalonen, Winnipeg Mayor Brian Bowman, Telpay Environmental Ethics and Brand Consultant Louise May, MLA Dr. John Gerrard, Telpay founder Bill Loewen.

ABOVE: Cora Jalonen, CEO, Telpay Incorporated in front of the Telpay Winnipeg head office at 298 Garry Street—a Provincially Designated Heritage Building.

Making History

After 52 years of involvement in the computer services industry, preceded by 19 years in positions of financial responsibility, I have decided to retire, this time for certain. I have been hugely fortunate in so many ways that I can hardly believe it has happened to me.

With the help of employees, the support of customers, and a lot of good luck I have been able to thrive and others have along with me. We have met many challenges that have only strengthened our resolve to serve our customers to the best of our ability. I am proud of the innovations that have become widely adopted. I am proud of how we have designed and implemented our trust account in such a manner that there was never once a question of security of customer funds. I am proud of the individuals I have had the honour to work beside in accomplishing feats that others have again and again said could not be done.

When I started Comcheq, I could see that to be successful in this business, it would be essential that our customers have full confidence in our integrity both in dealing with their confidential information and in ensuring that every dollar of funds they sent to us would be used for that purpose and that purpose alone. This meant I would have to conduct myself and my company to the highest of ethical standards. There could be no short cuts. It was refreshing to realize that. I have done my best to live by that and, as it happened, I believe that was a great contributor to our success. I recommend that approach to all.

Though I have enjoyed a professional career that has given me great satisfaction, I leave knowing there is much more to be done. We are really only at the beginning of innovations that will continue to enhance all of our lives.

With best wishes to all,

W.H. (Bill) Loewen
Founder

“I am proud of the individuals I have had the honour to work beside in accomplishing feats that others have again and again said could not be done.”



W.H. (Bill) Loewen, Founder

35 Years in Business

To tell the story of Telpay, one must turn the clock back to 1968 when a young accountant had an inspiration. William Loewen was that accountant tasked with managing payroll for a small company.

There must certainly be a way to automate payrolls to turn a time-consuming manual job into an efficient machine job. He decided to take his concept of automating payroll and turn it into a business. With his keen interest in the blossoming age of computing, Bill Loewen founded by Comcheq as Canada's first outsourced payroll company.

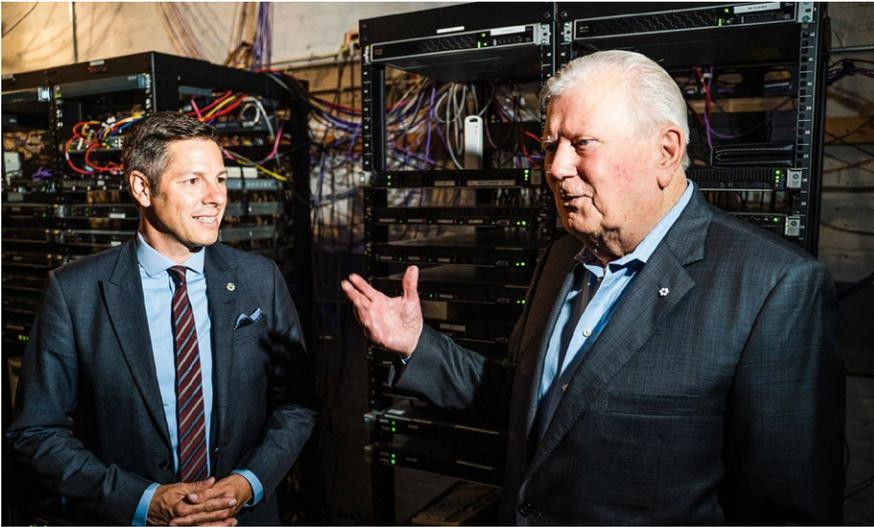
Fast-forward 15 years to 1983 when Comcheq had grown step-by-step with the boom of information technology becoming a national

company with 22 branches stretching across Canada. At that time, an underserved segment of Canadians living remotely, not being able to pay bills in a timely way, caught Bill's attention. Why not use the telephone to create a voice response payment system that was much more accessible? By 1985, Telpay was born with the first bill payments going through to Manitoba Hydro and Manitoba Telephone System leading soon to implementing telephone bill payments to utilities all across Canada.

BELOW: The three-storey building was designed by a prominent local architect J.D. Atchison and built in 1909 by the firm of Smith and Sharp on the former site of the Manitoba Club. It housed the Canada Permanent Trust Company for 5 decades. Originally purchased in 1986 by Comcheq and then retained by Telpay, the original renovation was awarded a Conservation Award by Heritage Winnipeg. For a more complete history of the Telpay Building, please see [this report](#) prepared by the Historical Buildings Committee of the City of Winnipeg.



WHERE IT ALL STARTED



Bill Loewen tours Winnipeg Mayor Brian Bowman through Telpay IT facility.

Just as Comcheq had grown throughout the history of the age of the computer, Telpay would come of age through the vast expansion of the internet. Long before fintech was even a word, Telpay took up its position as an independent payment service provider and countered the big banks for their lack of competitive spirit. Bill Loewen had long maintained a position of national importance in the financial sector by challenging policy-makers in Ottawa to level the playing field and prevent a cluster-monopoly of large financial institutions.

An offer to purchase Comcheq from the Canadian Imperial Bank of Commerce was considered and accepted in 1993 by Bill Loewen, although the results weren't as he had hoped. He had built Comcheq as a Canadian company with a Winnipeg head office and wished it to stay that way. Within 5 years, CIBC had turned Comcheq over and sold to Ceridian, an American company. On the positive side, selling Comcheq did allow Bill to refocus his business acumen on leading Telpay, a division of Comcheq, which he had retained through the sale.

By 2004, Telpay transitioned from telephone to electronic payments as a first in the industry. Meanwhile, back at its Winnipeg head office, located in one of the most exquisite historical buildings still standing, the Telpay team continued year after year to add functionality to its core product, Telpay for Business.

Bill payments, payroll, government remittances, dual remote authorization, pre-authorized debit, international payments, and the ability to integrate to many accounting systems made Telpay a sweetheart service for accountants and bookkeepers across the country. Over time, the practical ability to add new billers has created a biller list of over 150,000 payees currently on record that grows every day.

The team continues to build next-generation functionality in 2021, which will prove to be its turning point in the company's history.

Throughout it all, Telpay has remained a major player nationally, influencing public policy in the payment industry sector through its active role with Payments Canada, FinPay, Retail Payment Advisory Committee and is currently registered with FINTRAC—Financial Transactions and Reports Analysis Centre of Canada.

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Resilience in a Time of Change

Telpay has long had a team culture of colleagues, working towards our common business goal, day-in-day-out, as our system processes payments each working day and must run and reconcile like clockwork.

It would come as no surprise to anyone that our Business Continuity Plan was already well-tested annually but never yet put into use until March 2020. As the news of the COVID-19 took hold in Canada, Telpay took swift action to move all its staff to remote working. Within two weeks, the entire team had been moved to home offices without missing a beat or a payment.

From that point on, like so many of our business clients, our team has run and continues to run from home offices with a few tasks being accomplished within our building. Although we felt the pangs of the overall recession, our team was still able to maintain our excellent standard of customer care and continue to onboard customers throughout. Telpay's Customer

Care team really lived up to their name. With a combined 95 years of experience, they especially dug in to keep things smooth and orderly amidst the chaos.

Telpay's remote authorization feature became a valuable asset for many businesses who required alternatives to signing cheques. With a whole nation moving to remote work environments, driving cheques from one place to the next for dual signatures, which many companies still require, put undue risk on employees and drivers. Remote authorization allows the signing authorities to review and confirm instantly online.

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OUR ENVIRONMENTAL
ACTION PLAN

Becoming a Champion for the Environment

Throughout our history, both in its purpose and in additional efforts, Telpay has championed environmental initiatives. At this significant time in human history, and in light of the global youth movement to transform society into a green economy, we are committed to boosting our efforts in the coming years through our own strategic environmental action planning.

Building a Paperless Society

By way of visualizing Telpay's environmental commitment over its 35 year history, consider the number of electronic payments that have been made over that time.

Now to multiply that number by the amount of paper that would have been used, including the cheque, the invoice, the envelope, as well as occasional duplicates that accompany each and every cheque.

Considering that a tree with an 8-inch trunk diameter produces approximately 10,000 standard sheets of paper. This established a resounding figure of 80,000 trees that were not used for paper cheques over the 35 years of Telpay history. As accountants are all about keeping track of the numbers, this was an important number to support our identity as a leading change-maker in the corporate environmental community.

While the paper trails of many administrative practices have diminished throughout these past 35 years, financial institutions and

large bureaucratic companies were among the last to turn to paper-saving electronic functions. Over the 2019-20 fiscal year, the Receiver-General of Canada issued about 327 million payments on behalf of federal government departments and agencies, according to Public Services and Procurement Canada. Roughly 30 million of these payments were made by cheque.

There is clearly a significant cost saving achieved with digital payments in bank charges, cheques, envelopes, printer ink, labour to assemble and file, postage, signatures, and bank reconciliation time. The Savings Calculator that Telpay has developed gives an estimate of the monthly and annual savings that businesses can expect.

A tree trunk
8 inches
in diameter ...



... produces \pm
10,000 standard
sheets of paper



That's
80,000 trees
saved by not using
paper cheques.



Planting Trees: A Global Solution to Climate Change

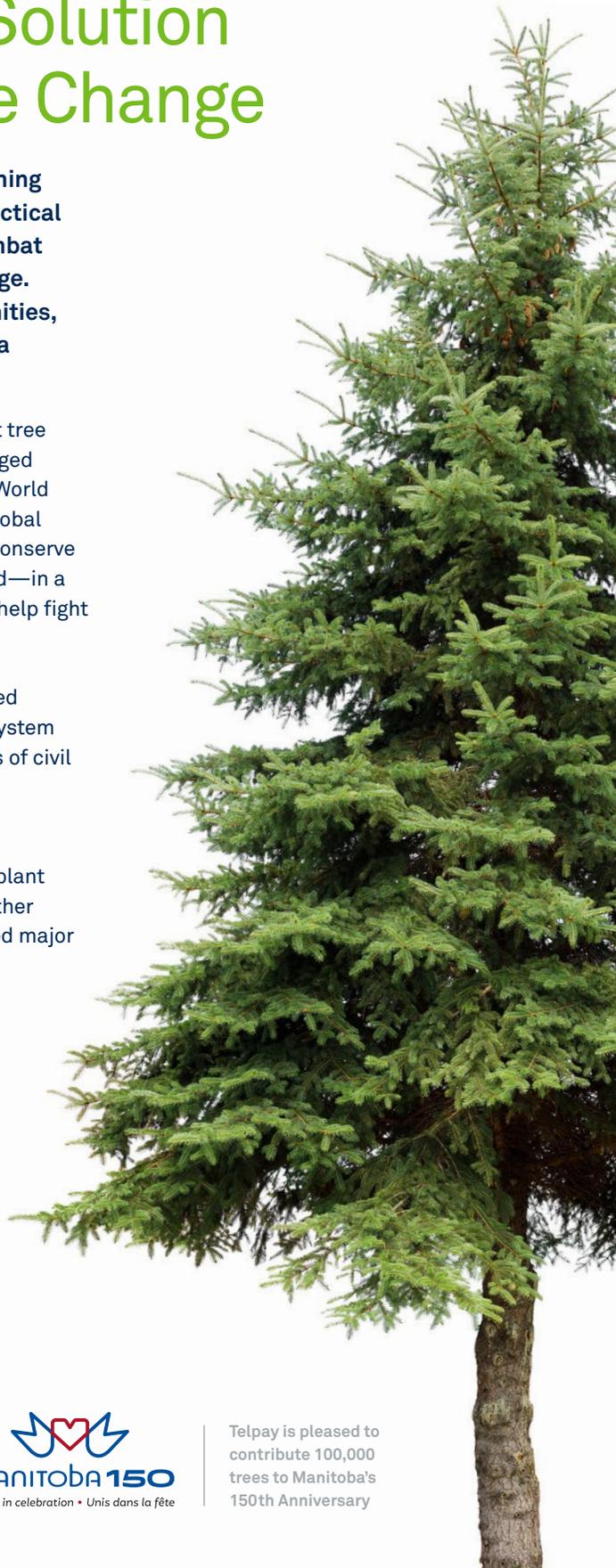
Planting trees and maintaining our existing forests is a practical and economical way to combat the effects of climate change. Trees beautify our communities, provide shade, and give us a sense of place.

Many studies and independent tree planting challenges have emerged around the globe. In 2018, the World Economic Forum launched a global initiative to grow, restore and conserve 1 trillion trees around the world—in a bid to restore biodiversity and help fight climate change.

The United Nations has declared 2020-2030 the Decade of Ecosystem Restoration calling on all levels of civil society to participate.

Recently the Canadian federal government made a pledge to plant 2 billion trees by 2030. Many other countries have already achieved major milestones in tree planting.

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Telpay Trees 5-year Campaign

**As the wise saying goes, the best time to plant a tree is 20 years ago.
The second best time to plant a tree is now!**

That holds true even during a global pandemic. While all plans for public plantings were put on hold in spring 2020, we reached out to our 625 Winnipeg-based customers. The response was resounding from individuals planting in their own yards, to staff giveaways, to whole community tree giveaways.

At one of our fall events, our staff team were able to meet up for the first time since March outdoors. With all safety precautions in place, our staff team and friends planted 200 trees at Elzéar Goulet Park in downtown Winnipeg. Bill Loewen, who recently celebrated his 90th birthday was able to join us and an apple tree was planted there in his honour.

Two Telpay customers played a greater role in our tree planting efforts and deserve special mention—the Dakota Community Club and the Neeginan Aboriginal Centre. Through their connections to the larger communities, we were able to offer seedling trees to citizens of Winnipeg.

In the spring, our customer Dakota Community Club co-hosted a tree giveaway that saw over 500 trees offered to community members in a 2 hour period. Dakota Community Club was able to plant an additional 250 trees on their grounds.

The Neeginan Aboriginal Centre, centrally located in Winnipeg offered Telpay the use of their large parking lot to host a COVID-safe drive-thru tree

giveaway. Remarkably, this campaign gave away over 3000 trees in 4 hours! The Neeginan Aboriginal Centre also accepted Telpay's gift of a 100-tree Fruit and Berry Forest at the Higgins and Main Street location to be planted in the Spring of 2021.



LEFT: In recognition of 50 years of innovation, success, and philanthropy in the Winnipeg community and beyond, Telpay was presented with the City of Winnipeg Community Service Award. Telpay CEO Cora Jalonen and Founder Bill Loewen accepting the award from Winnipeg Mayor Brian Bowman.



ABOVE: Telpay celebrated National Tree Week with a Tree planting event on the grounds of the Neeginan Aboriginal Centre in Winnipeg. Telpay also announced the commitment to plant a 100 tree fruit and berry bush forest at this site in the spring of 2021. From left to right, Mayor Brian Bowman, Bill Shead, Chairperson of Neeginan Centre, Dorothy Dobbie, Tree Canada board member and Former Parliamentarian, and Deputy Mayor Councillor John Orlikow.

Our Footprint and Offsets: Let's do better than neutral

Eliminating paper and planting trees goes a long way towards creating an environmentally responsible corporation.

At Telpay, we continue to refine our Environmental Action Plan by assessing opportunities to improve all of our systems. Now heading into 2021, Telpay is stepping up the process by participating in training and certification through the Climate Smart and Benefit Corporation (B-Corps) programs.



Supporting our Team: Our Green Team in Action

Now hand-in-hand with our COVID Recovery Plan, the pandemic has offered us other ways to make positive changes.

In the early months of 2020, a series of Lunch and Learn events were held in the Telpay boardroom for staff and virtually through social media followers.

Our first guest speaker was Dave Domke, Manager Parks and Open Spaces, City of Winnipeg, who discussed urban forest canopy issues and opportunities as we began to plan our first Telpay Forest. Partnering with the Green Action Centre and Climate Change Connection, our seminars feature topics like Zero Waste Living, Vermicomposting, Calculating your Carbon Footprint and Climate Change Facts, and Growing Your Own Garden.

commuting vehicles by subsidizing bus passes, improving our office supply purchasing standards, replacing all light bulbs with LED's, and reducing our internal paper usage.

Now hand-in-hand with our COVID Recovery Plan, the pandemic has offered us other ways to make positive changes. The necessity of our whole staff team working from home resulted in over-achieving our goal of reducing our carbon footprint due to staff commuting. Without a centralized printer, we had to quickly find ways to eliminate even more of our printed paper functions. Now, we are considering how to integrate these successes and more into our permanent workplace culture shift.

For many years, Telpay has had a staff-run Green Team who have made incremental improvements to the company's main operational issues of the company and building. This includes improvements to our Telpay kitchen, recycling used IT equipment, reducing our number of



Spreading the Word Far and Wide: Let's make waves

At Telpay, we recognize that the business sector can make substantial contributions to creating a global carbon-neutral economy. And we can do it for all the right reasons.

In the early spring of 2020, Telpay was invited with a group of business leaders to formulate a way for the business community to take greater action with regards to Climate Change.

Through these discussions, a new independent national association called BizforClimate was created as a business-led movement promoting action to address climate change and providing solutions that scale to the economy at large.

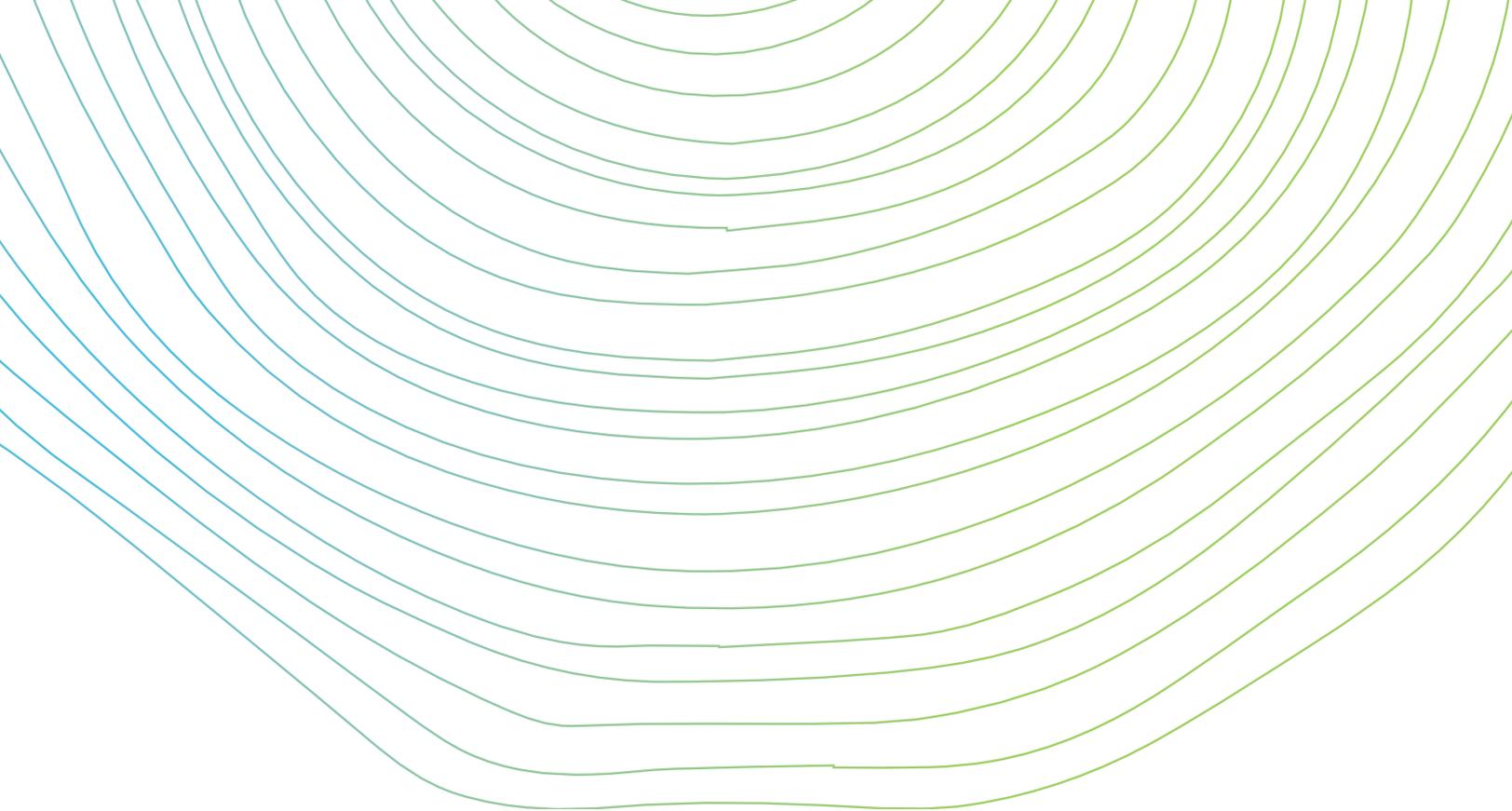
The first action was to formulate a sign-on Climate Action Pledge so that business leaders can easily

share their voice in a growing coalition to advocate for the clean, zero-carbon economy of the future. Telpay was one of the first signatories to the Climate Action Pledge and is represented on the founding Board of Directors.

With support from a broad cross-section of businesses, BizforClimate will carry this important message to policymakers and other stakeholders. We look forward to a bright and stable future.

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The Better Way to Pay.™