TERRA PAYMENTS INC.

MATERIAL CHANGE REPORT

Pursuant to: Subsection 85(1) of the *Securities Act* (British Columbia)
Subsection 118(1) of the *Securities Act* (Alberta)
Subsection 75(2) of the *Securities Act* (Ontario)

Item 1. **Reporting Issuer:**

The name of the reporting issuer is Terra Payments Inc. ("Terra") Its principal office is located at 2 Place Alexis Nihon, 3500 de Maisonneuve Blvd. West, Suite 700, Westmount, Quebec, H3Z 3C1 and its telephone number is (514) 380-2700.

Item 2. **Date of Material Change:**

August 7, 2003

Item 3. **Press release:**

A press release was issued in Montreal, Quebec on August 7, 2003 with respect to the material change.

Item 4. **Summary of Material Change:**

Reference is made to the material change report filed by Terra Payments Inc. ("Terra") on August 8, 2003 and attached as Schedule A with respect to a merger adjustment agreement dated August 7, 2003 (the "Merger Adjustment Agreement") entered into among Terra, ebs Holding AG ("ebs Holding") and ebs Electronic Billing Systems AG ("ebs Billing" and together with ebs Holding, "ebs") pursuant to which the parties thereto agreed to certain adjustments to their merger agreement (the "Merger Agreement") dated October 1, 2002 which the shareholders of Terra approved on March 26, 2003.

Item 5. **Full Description of Material Change:**

The following additional description is made to the Material Change Report filed by Terra on August 8, 2003:

Minority Approval of Shareholders

The Merger Adjustment Agreement constitutes a "related party transaction" within the meaning of Policy Statement No. Q-27 – Protection of Minority Securityholders in the Course of Certain Transactions of the Commission des valeurs mobilières du Québec ("**Policy Q-27**") and Ontario Securities Commission Rule 61-501 –

Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (“**Rule 61-501**”). Policy Q-27 and Rule 61-501 require that, unless exempted, in order to complete a related party transaction, the approval of a simple majority of the votes cast by “minority” shareholders of the affected securities must be obtained. In relation to the Merger Adjustment Agreement, the “minority” shareholders are all holders of Common Shares other than ebs Holding, ebs Billing, their respective directors and senior officers or any associate, affiliate or insider of, or any person or company acting jointly or in concert with, any of the foregoing. Terra has mailed to its shareholders its Management Proxy Circular in connection with a special meeting of its shareholders to be held on December 5, 2003 to consider, among other matters, a resolution of the “minority” shareholders approving the Merger Adjustment Agreement.

Formal Valuation

Policy Q-27 and Rule 61-501 also provide that, unless exempted, a corporation proposing to carry out a related party transaction is required to prepare a valuation of the subject matter of the related party transaction (and any non-cash consideration forming part of the transaction) and to provide holders of the affected securities with a summary of such valuation. On August 14, 2003, Terra applied to the Commission des valeurs mobilières du Québec and the Ontario Securities Commission for relief from the valuation requirements of Policy Q-27 and Rule 61-501 applicable to a related party transaction. After making submissions to and discussions with the securities commissions, on October 31, 2003, Terra was granted relief from such valuation requirement on the basis that (i) the transactions contemplated under the Merger Adjustment Agreement were the result of protracted and difficult negotiations between the parties who each retained their own legal counsel and, according to the parties thereto, the Merger Adjustment Agreement was negotiated and concluded in a manner comparable to an arm's length transaction, (ii) according to Terra’s financial advisor, a valuation for the transactions contemplated under the Merger Adjustment Agreement would be very subjective due to the factual assumptions and hypothetical scenarios a valuator would have to take into account and make in ascertaining the value for avoiding arbitration proceedings which is an essential element in the present case, (iii) the shareholders of Terra will be provided with an opinion from a financial advisor to the effect that the transaction is fair to Terra from a financial point of view, and (iv) it is expected that Terra will comply with all of the other requirements of Policy Q-27 and Rule 61-501 in connection with the transaction contemplated by the Merger Adjustment Agreement, including the minority approval requirement.

Item 6. **Reliance on: Section 75(3) of the *Securities Act* (Ontario) and Section 73(1) of the *Securities Act* (Quebec)**

Not applicable.

Item 7. **Omitted Information:**

No information has been omitted in respect of the material change.

Item 8. **Senior Officers:**

Further information with respect to the material change described in this material change report may be obtained from:

David Schwartz
Chief Financial Officer
Terra Payments Inc.
at (514) 380-2730

Item 9. **Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to herein.

DATED at Montreal, Quebec, this 13th day of November, 2003.

TERRA PAYMENTS INC.

Per: *(signed) David Schwartz*
David Schwartz, Chief Financial Officer and Secretary

SCHEDULE A

SUREFIRE COMMERCE INC.

MATERIAL CHANGE REPORT

Pursuant to: Subsection 85(1) of the *Securities Act* (British Columbia)

Subsection 118(1) of the *Securities Act* (Alberta)

Subsection 75(2) of the *Securities Act* (Ontario)

Item 1. Reporting Issuer:

The name of the reporting issuer is SureFire Commerce Inc. Its principal office is located at 2 Place Alexis Nihon, 3500 de Maisonneuve Blvd. West, Suite 700, Westmount, Quebec, H3Z 3C1 and its telephone number is (514) 380-2700.

Item 2. Date of Material Change:

August 7, 2003

Item 3. Press release:

A press release was issued in Montreal, Quebec on August 7, 2003 with respect to the material change.

Item 4. Summary of Material Change:

SureFire Commerce and EBS Holding AG agree on adjustments to terms of Merger Agreement

Item 5. Full Description of Material Change:

See Press Release attached hereto.

Item 6. **Reliance on: Section 75(3) of the *Securities Act* (Ontario) and Section 73(1) of the *Securities Act* (Quebec)**

Not applicable.

Item 7. **Omitted Information:**

No information has been omitted in respect of the material change.

Item 8. **Senior Officers:**

Further information with respect to the material change described in this material change report may be obtained from:

Mitchell Garber

Chief Executive Officer

SureFire Commerce Inc.

at (514) 380-2700

Item 9. **Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to herein.

DATED at Montreal, Quebec, this 8th day of August, 2003.

SUREFIRE COMMERCE INC.

Per: *(signed "Mitchell Garber")*

Mitchell Garber, Chief Executive Officer

SUREFIRE COMMERCE AND EBS HOLDING AG AGREE ON ADJUSTMENTS TO TERMS OF MERGER AGREEMENT

Montreal, Canada (August 7, 2003) - International payment processor SureFire Commerce Inc. ("SureFire") announced today that it has agreed with ebs Holding AG ("ebs Holding") to certain adjustments to the merger agreement (the "Merger Agreement") dated October 1, 2002 entered into with ebs Holding and ebs Electronic Billing Systems AG ("ebs Billing" and together with ebs Holding, "ebs"), which the shareholders of SureFire approved on March 26, 2003.

The transactions set out in the Merger Agreement and the Option Agreement (the "Option Agreement") dated October 1, 2002 entered into with ebs and SureFire contemplates two phases (collectively, the "Merger"): (i) in the first phase, which was completed on April 1st, 2003, SureFire issued 2,795,249 shares to ebs Holding which brought ebs Holding's interest in SureFire to approximately 21% of the issued and outstanding shares of SureFire as at that date, in exchange for the sale by ebs Holding to SureFire of a 51% interest in ebs Billing (a privately held company); and (ii) in the second phase, ebs Holding would have the right, until December 31, 2003, to exercise an option to acquire an additional 15,109,453 shares, which would bring ebs Holding's total interest in SureFire to approximately 63% in exchange for the sale by ebs Holding to SureFire of the remaining 49% interest in ebs Billing.

The adjustments to the Merger agreed to between SureFire and ebs will be as follows: (i) ebs Holding will retain its 21% interest in SureFire and no longer be entitled to exercise its option for the remaining 42% and all warrant rights granted to ebs Holding pursuant to the Option Agreement and share options granted to ebs employees will be cancelled; (ii) until SureFire’s 2004 annual general meeting, ebs has agreed to a restriction on the voting rights attached to its SureFire shares such that it may only vote its shares in proportion to all the other SureFire Shareholders who exercise their voting rights at a particular meeting; (iii) ebs has agreed to pay to SureFire the sum of US$500,000 payable in six monthly instalments; (iv) ebs has agreed not to acquire for a period of two years any securities of SureFire (other than treasury issuances of securities); and (v) SureFire will reduce its holdings in ebs Billing to 10.5 %

As a result of the adjustment, the 17,904,702 shares which were originally to be issued to ebs Holding and would have resulted in a total float of 28,420,181 shares of SureFire and 100% ownership of ebs Billing, will be reduced to a total of 2,795,249 shares thereby resulting in a total float of 13,310,728 shares outstanding of SureFire and a 10,5 % ownership of ebs Billing.

The agreements reached between the parties will be subject to obtaining ebs shareholders approval, which is expected to be obtained in late September, and the applicable regulatory approvals.

“These adjustments allow SureFire and it's shareholders to benefit from the company’s strong stand-alone performance over the last three quarters, and a market focus and direction that is bearing results", said Mitchell Garber, President and CEO, SureFire Commerce. "Our team has introduced services and aggressively pursued new markets with the result that SureFire Commerce is a far more stable, viable, and profitable company today. Moving forward, we will further enhance our relationship with ebs Holding, particularly in the areas of international banking relationships and payment solutions. The ebs Holding relationship is an important one, and they remain an important shareholder of SureFire.”

“The skill and commitment of our management team throughout the adjustment process has been consistent with what we have seen in recent months," said Steve Shaper, Chairman, SureFire Commerce. "SureFire will not be consolidating its financials with ebs and it is clear that any reduction in what SureFire and ebs had projected in consolidated operating margin, will as a result of the adjustments of shares be offset by a significant reduction in dilution. As a result, the Board of Directors believes that our decision is in the best interests of SureFire's shareholders.”

For Fiscal 2004, SureFire, on a stand-alone basis, expects revenues of $50 million to $55 million and operating margin (defined as earnings before interest, taxes, amortization and exchange gains and losses) of $7 million or approximately 13 per cent. These figures represent a continued improvement of the company's financial position. The company will be reporting first quarter results ended June 30, 2003, in mid-August.

About SureFire Commerce Inc.

SureFire Commerce Inc. (TSX: FIR) is an international leader in the payment processing industry. The Corporation provides technology and services that businesses require to accept credit card, electronic cheque and direct debit payments. SureFire Commerce processes credit card payments for retail point of sale, Internet, mail-order/telephone-order merchants, as well as processing electronic cheque or direct debits online and by phone. Headquartered in Montreal (Quebec), SureFire Commerce has operations in Canada, the United States and the United Kingdom.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of SureFire Commerce with respect to its performance, business, and future *events. Such statements are subject to a number of risks, uncertainties, and assumptions. Actual results and events may vary significantly.*

For further information visit **www.surefirecommerce.com** or contact:

Mitchell Garber
Chief Executive Officer
SureFire Commerce Inc.
(514) 380-2700