ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2014

Preparation Date: March 25, 2015

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GLOSSARY

In this document, unless the context otherwise requires, the following terms shall have the indicated meanings. Reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder.

"**Acquirer**" refers to the members of a Network who operate or connect point of interaction terminals (e.g. ATMs and Debit Terminals) that capture and transmit through the Network to the card issuer (i.e. the institution that issued the card) relevant data needed to undertake a transaction.

"**Additional Vault Cash Rental Agreement**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**Agent**" means the Canadian chartered bank that acts as agent to the Lenders under the credit facilities established under the Debt Agreements.

"**ATM**" means an automated teller machine (also referred to as an automated banking machine).

"**ATM Placement**" refers to the agreements/arrangements entered into by DCPayments pursuant to which an ATM owned by DCPayments is located on third party premises (i.e. a placement does not include those situations where an ATM is sold outright to a third party by DCPayments or where DCPayments finances the ATM to the third party through loan or lease arrangements).

"**ATM Processing**" refers to the agreements/arrangements entered into by DCPayments with a third party (i.e. someone who owns an ATM or controls the operation of an ATM owned by someone else) pursuant to which DCPayments agrees to provide processing services (also including in some cases the provision of maintenance, service and support) for an ATM.

"**BIS**" means Bank of International Settlements.

"**Borrowers**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**Business**" or "**Businesses**" means DCPayments' business of (i) owning and operating ATMs and Debit Terminals and related ATM and Debit Terminal equipment, and all associated services provided by DCPayments, including, without limitation, selling, distributing, leasing, financing, installing and servicing ATMs, Debit Terminals and associated ATM and Debit Terminal equipment; (ii) managing ATMs for third parties; (iii) providing electronic processing services relating to transactions requested or carried out using ATMs and Debit Terminals (for equipment owned by DCPayments or third parties); (iv) marketing and transaction processing for Prepaid Products; and (v) providing transaction switching services, card provisioning, payments' processing, reporting and settlement, fraud management, ATM cash management, ATM fleet management and project-based consulting services for credit unions, financial institutions and others.

"**Card**" means a card (with magnetic strip or other encoding system) issued by an Issuer which entitles the cardholder to carry out transactions through one or more Networks that the Issuer is a member of.

"**CashStore**" means The Cash Store Financial Services Inc. and its subsidiary entities, as applicable.

"**CCAA**" means the Companies' Creditors Arrangement Act (Canada).

"**Central Switch Provider**" refers to DCPayments' operation of THE EXCHANGE® Network in Canada through the DCPayments Switch whereby DCPayments provides transaction processing services to allow for shared surcharge-free ATM Network comprised of over 200 financial institutions and more than 2,200 ATMs in Canada.

"**Common Shares**" refers to the common shares of DCPayments.

"**Competition Bureau**" refers to the federal agency which is a part of Industry Canada which is responsible for the enforcement of the *Competition Act* (Canada).

"**Consent Order**" means the consent order issued by the Canadian Competition Tribunal in June 1996, which was negotiated between a number of the Interac Association's members and the Competition Bureau.

"**Credit Card**" means a Card issued for use on a credit card Network.

"**CUFI Business**" means Credit Union and other Financial Institution Processing and Outsourcing business.

"**Customers**" means DC Payments Pty Ltd. (formerly Customers Limited), which was acquired pursuant to the Customers Acquisition.

"**Customers Acquisition**" means the acquisition by DirectCash Payments Australia Pty Ltd. of 100% of the shares of Customers which was completed on July 4, 2012 (pursuant to which a number of other Australian and New Zealand subsidiaries were also indirectly acquired).

"**DC Bank**" means DirectCash Bank (Banque DirectCash).

"**DC Bank Acquisition**" means the anticipated acquisition of DC Bank as described under *"Development of the Business – Three Year History – 2014"*.

"**DC Bank Agreement**" means the services, employee secondment and marketing agreement dated November 6, 2007 between DCManagement and DC Bank as amended by an amending agreement dated January 1, 2010.

"**DCManagement**" means DirectCash Management Inc.

"**DCPayments**" means DirectCash Payments Inc., and as the context requires, all of the corporations, partnerships and other entities comprising DCPayments Australia, DCPayments Canada, DCPayments Mexico, DCPayments UK and DCPayments USA and any of their controlled affiliates (i.e. the entities involved in the actual operation of the businesses being carried on).

"**DCPayments Australia**" means collectively: (a) for the period prior to July 4, 2012, DirectCash Management Australia Pty Ltd. and all of its controlled affiliates within Australia; and (b) for the period after July 4, 2012, DirectCash Payments Australia Pty Ltd., DCP Holdings Australia Pty Ltd., DC Payments Pty Ltd. (formerly Customers Limited), Firstpoint Payments Pty Ltd., Processing Services Australia Pty Ltd., Customers ATM Pty Ltd., Customers Operations Pty Ltd., DC Payments Australasia Pty Ltd. (formerly ATM Solutions Australasia Pty Ltd.), Customers New Zealand Limited, DCP NZ, DirectCash Payments Management Australia Pty Ltd. and any of their controlled affiliates within Australia or New Zealand.

"**DCPayments Canada**" means, collectively (a) for the period prior to January 1, 2013, DCManagement, the Management Partnership, the Processing Partnership, DirectCash Acquisition Corp. and all of their controlled affiliates within Canada; and (b) for the period from and after January 1, 2013, DCManagement, DirectCash Canada LP, the Management Partnership and the Processing Partnership and any of their controlled affiliates within Canada.

"**DCPayments Group**" or "**Company**" means collectively: (a) for the period prior to January 1, 2011, the Fund, the DirectCash Commercial Trust, and the other entities comprised in the definition of DCPayments; and (b) for the period from and after January 1, 2011, DCPayments and the entities comprised in the definition of "DCPayments".

"**DCPayments Mexico**" means, collectively, DC Payments México S.A. de C.V. and DSM Services S.A. de C.V. and any of their controlled affiliates within Mexico.

"**DCP NZ**" means DC Payments New Zealand Limited (formerly New Zealand ATM Services Limited).

"**DCPayments Switch**" refers to DCPayments' Canadian ATM, Debit Terminal and CUFI Business transaction processing "switch" (i.e. the computer hardware, software, and telecommunication links) and the card issuing service bureau platform that connects to Card Issuers or other transaction Acquirers, Networks and connection service providers to process ATM, Debit Terminals, debit card and credit card transactions and to carry out settlement functions and provide transaction reporting.

"**DCPayments UK**" means collectively: (a) for the period prior to May 25, 2012, DirectCash Management UK Limited, and (b) for the period after May 25, 2012, DirectCash Management UK Limited, DC Payments UK Ltd., DC Payments Prepaid UK Limited and any of their controlled affiliates within United Kingdom.

"**DCPayments USA**" means, DirectCash USA, Inc.

"**Debit**" means direct payment, which service allows persons to use their Debit Card to pay for goods and services at participating merchants.

"**Debit Card**" means a Card issued by a financial institution that allows the cardholder to access funds through the cardholders account at the financial institution (also called an EFTPOS card in Australia).

"**Debit Placement**" refers to the agreements/arrangements entered into by DCPayments with a third party (i.e. someone who is an owner or tenant of a location or otherwise controls the location) pursuant to which the third party agrees to allow DCPayments to place a Debit Terminal owned by DCPayments on the third party's premises (i.e. a placement does not include those situations where a Debit Terminal is sold outright to a third party by DCPayments or where DCPayments finances the acquisition of a Debit Terminal to the third party through loan or lease arrangements).

"**Debit Processing**" refers to the agreements/arrangements entered into by DCPayments with a third party (i.e. someone who owns a Debit Terminal or controls the operation of a Debit Terminal owned by someone else) pursuant to which DCPayments agrees to provide processing services (also including in some cases the provision of maintenance, service and support) for a Debit Terminal.

"**Debit Terminals**" refers to direct payment terminals, also referred to as point of sale devices or POS devices.

"**Debt Agreements**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**DirectCash Canada LP**" means DirectCash Canada Limited Partnership, a limited partnership formed under the laws of Alberta on December 20, 2012, the general partner of which is DCManagement and the current limited partner of which is DCPayments.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**EBITDA margin**" means EBITDA expressed as a percentage of total revenue.

"**EBITDA per share**" is calculated on the same basis as basic net income (loss) per share, utilizing the basic and diluted weighted average number of Common Shares outstanding during the period.

"**Eze**" means Ezeatm Limited, an Australian company.

"**Eze Acquisition**" means the acquisition of Eze in Australia as described under *"Development of the Business – Three Year History – 2014"*.

"**Fund**" means DirectCash Income Fund, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Alberta (Dissolved January 1, 2011).

"**GAAP**" means generally accepted accounting principles.

"**IADs**" means independent ATM deployers.

"**ICA**" means InterBank Card Association.

"**IFRS**" means International Financial Reporting Standards.

"**InfoCash**" means InfoCash Holdings Ltd.

"**Interac**" means the Interac Association, which is the organization responsible for the development and operation of a Canadian national network of two shared electronic financial services: "shared cash dispensing" at ATMs and "Interac direct payment" at Debit Terminals.

"**Interchange Fee**" means the per transaction fee that must either be paid: (a) to an Issuer by an Acquirer or (b) to an Acquirer by an Issuer (based on transaction type and Network rules).

"**Issuer**" refers the financial institution or other entity authorized by the Network to issue a Card.

"**Lenders**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**LINK**" means the Link Interchange Network, which is the organization responsible for the development and operation of a United Kingdom domestic Network that Issuers and Acquirers join in order to access ATMs and process transactions.

"**LTIP**" means the long term incentive plan (currently in the form of an employee profit sharing plan the terms of which are set out in a Plan Services Agreement & Trust Indenture between DCManagement and Valiant Trust Company dated December 30, 2011) established by DCManagement effective in 2011.

"**Management Partnership**" means DirectCash ATM Management Partnership, a general partnership formed under the laws of Alberta, the partners of which are DCManagement and DirectCash Canada LP.

"**MD&A**" means DCPayments' management's discussion and analysis for the year ended December 31, 2014.

"**Network**" means a bank, debit, ATM or credit card network (e.g. Interac Association, VISA, MasterCard, Maestro, Cirrus, Plus, Amex, RED, CUP (China Union Pay), the COOP Network, AccuLink (Credit Unit Gateway), the EXCHANGE Network, Australian Bilateral ATM Systems, EFTPOS and Link) which, subject to such network's requirements, allows ATMs or Debit Terminals to be connected to their network so that the debit cards or credit cards associated with such network can be used.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**Non-Bank ATM Business**" means the non-bank ATM business of DCPayments.

"**Notes**" means the $125 million aggregate principal amount of seven year senior unsecured notes of DCPayments.

"**PIN**" means personal identification number.

"**Preferred Shares**" means the preferred shares of DCPayments.

"**Prepaid Card**" means a Card (i.e. credit card or a debit card or a device to hold value) with a pre-set advance limit that can be used to carry out transactions at ATMs or Debit Terminals through the Card Issuer's membership in one or more bank, debit, ATM, Acquirer on-us or credit card networks that can be used to eliminate the need for a consumer to carry cash and provides an alternative for businesses that historically dispensed or issued cash, cheques, money orders, traveler's cheques, money transfer services or gift certificates.

"**Prepaid Card Management System**" means DCPayments Canada's platform for DCPayments Canada's Prepaid Card business that supports client configurable program management, cardholder account management, Prepaid Card distribution services and reporting for merchants and customers for Prepaid Cards.

"**Prepaid Products**" means Prepaid Cards, cellular air time, long distance airtime, prepaid telephone land lines, and pre-authorized debit services.

"**Processing Partnership**" means DirectCash ATM Processing Partnership, a general partnership formed under the laws of Alberta, the partners of which are DCManagement and DirectCash Canada LP.

"**Prosa**" means Promoción y Operación, S.A. de C.V., a Mexico based transaction processor.

"**PSD**" means the payment services directive, which regulates payment institutions (including institutions which are not banks) and became law on November 1, 2009.

"**Revolving Facility**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**Shareholder**" means a holder of one or more Common Shares.

"**Surcharge Fee**" means the per transaction convenience fee (through an additional charge against their Card) levied to the cardholder when the holder of the Card uses the Card at a Terminal (and which may be set differently for each Terminal in a Network), also called a "Direct Charge Fee" in the Australian market. Not all Networks allow for surcharge fees to be levied.

"**Term Loan**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**Threshold**" means Threshold Financial Technologies Inc.

"**Threshold Acquisition**" means the acquisition by DCPayments of 100% of the shares of Threshold which was completed on November 1, 2013.

"**TSX**" means the Toronto Stock Exchange.

"**UK Acquisition**" means the acquisition by DirectCash Management UK Ltd. of 100% of the shares of InfoCash which was completed on May 25, 2012.

"**Vault Cash Provider**" has the meaning ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

"**Vault Cash Rental Agreement**" and "**Vault Cash Rental Agreements**" have the meanings ascribed thereto under the heading "*Development of the Business – Three Year History – 2013*".

FORWARD LOOKING STATEMENTS

This annual information form and the documents referenced herein may contain "forward-looking statements" within the meaning of applicable securities legislation and which involve known and unknown risks, uncertainties and other factors which may cause the actual results, events, expectations, performance or achievements of DCPayments or the industry in which it participates, to be materially different from any future results, events, expectations, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements may include comments with respect to DCPayments' objectives, strategies to achieve those objectives, expected financial results, the outlook for the business of DCPayments, DCPayments' ability to pursue growth through expansion of existing lines of business and strategic acquisitions, the ability of new competitors to enter applicable markets and industry trends. Forward-looking statements typically contain words or phrases such as "may", "outlook", "objective", "intend", "estimate", "anticipate", "should", "could", "would", "will", "expect", "believe", "plan" and other similar terminology suggesting future outcomes or events. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

In particular, but without limiting the foregoing, this annual information form contains forward-looking information and statements pertaining to the following:

- operating, general and administrative and other expenses;
- cash dividends and the future treatment thereof;
- synergies in the acquired businesses and existing businesses including hiring, remuneration and maintenance of staff;
- the completion of the acquisition of DC Bank;
- DCPayments' acquisition strategy and the existence of acquisition opportunities, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of acquisitions on DCPayments' operations, opportunities and financial condition;

- DCPayments' ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets;
- DCPayments' expectations to expand into the CUFI Business and renew existing contracts;
- amendments to DCPayments' Debt Agreements;
- anticipated impact on DCPayments of the amendments to DCPayments' Debt Agreements;
- the impact of the Vault Cash Rental Agreements on DCPayments' business;
- future income tax and its effect on cash flow from operating activities and cash dividends;
- changes to legislation and regulations effecting DCPayments' business or that of its customers;
- DCPayments' ability to finance the cash in its ATMs at sufficient levels required to grow its business;
- DCPayments' ability to adopt new technologies and effectively integrate the same into its business;
- renewal of and borrowing costs associated with DCPayments' Debt Agreements;
- future debt levels, financial capacity, liquidity and capital resources;
- future contractual commitments;
- DCPayments' treatment under governmental regulatory regimes and current and pending changes to the same;
- business strategies and plans of management, including future changes in the structure of business operations, plans for acquired businesses and other general business opportunities; and
- the reliance on third parties in the industry to develop and expand DCPayments' assets and operations.

The forward-looking information and statements contained in this annual information form reflect several material factors and expectations and assumptions of DCPayments including, without limitation, that DCPayments will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing, and in certain circumstances, the implementation of proposed tax and regulatory regimes; the ability of DCPayments to obtain equipment, services, and supplies in a timely and cost effective manner to carry out its activities; the timely receipt of required regulatory approvals; the continued availability of adequate debt and/or equity financing and cash flow from operating activities to fund DCPayments' capital and operating requirements as needed; and the extent of DCPayments' liabilities.

DCPayments believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking information and statements included in this annual information form are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation:

- failure of acquisitions to be accretive to DCPayments' cash flow from operating activities, including the Eze Acquisition and the anticipated acquisition of DC Bank;
- failure to receive regulatory approval for the acquisition of DC Bank;
- reliance on industry partners;
- increased debt levels or debt service requirements;
- fluctuation in foreign exchange or interest rates;
- changes in general economic, market and business conditions in the markets in which DCPayments operates;
- the need to obtain required approvals from regulatory authorities;
- changes in laws applicable to DCPayments or other regulatory matters, including increased regulations on DCPayments' business;
- changes in the laws and regulatory regimes applicable to DCPayments' clients and customers;
- changes in the cash usage, purchasing habits or ATM usage in the markets in which DCPayments operates;
- DCPayments' ability to retain and attract qualified management and staff in the markets in which DCPayments operates;
- general economic conditions in Canada, Mexico, the United Kingdom, Australia, New Zealand and globally;
- unforeseen difficulties in integrating acquired companies' operations into DCPayments' operations;
- DCPayments' reliance on incumbent management teams of acquired companies and other key operational and managerial personnel;
- risks associated with the ATM business, credit union and financial industry, loss of markets, consumer spending and borrowing trends;
- the results of litigation or regulatory proceedings that may be brought against DCPayments;

- stock market volatility and market valuations;
- limited, unfavourable, or a lack of access to capital markets;
- failure to renew contracts at profitable rates;
- changes in the rules governing the various Networks that DCPayments utilizes; and
- certain other risks detailed from time to time in DCPayments' public disclosure documents including, without limitation, DCPayments' management's discussion and analysis for the year ended December 31, 2014, as well as those risks and contingencies described above and under the heading "*Risk Factors*" in this annual information form.

Forward-looking statements involve numerous assumptions and should not be read as guarantees of future performance or results. Such statements will not necessarily be accurate indications of whether or not such future performance or results will be achieved. Readers should not unduly rely on forward-looking statements as a number of factors, many of which are beyond the control of DCPayments, could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to the factors listed below under the heading "*Risk Factors*" and those discussed in materials filed with the Canadian securities regulatory authorities from time to time. Although the forward-looking statements contained in this annual information form are based upon what management of DCPayments believes are reasonable assumptions, DCPayments cannot assure investors that actual performance or results will be consistent with these forward-looking statements. These statements reflect current expectations regarding future events and operating performance and are based on information currently available to management. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Any financial outlook or future oriented financial information in this annual information form, as defined by applicable securities legislation, has been approved by management of DCPayments. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future and has been prepared based on a number of assumptions including those set forth under "*Special Note Regarding Forward Looking Statements*". Readers are cautioned that reliance on such information may not be appropriate for other purposes. The actual results of operations of DCPayments and the resulting financial results may vary from those set forth herein, and such variations may be material.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this annual information form, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. The forward-looking information and statements contained in this annual information form speak only as of the date of this annual information form, and none of DCPayments or its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, unless expressly required to do so by applicable securities laws and readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this annual information form.

GENERAL MATTERS

References in this document to research reports or to articles in publications should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is expressly not incorporated by reference into this document.

DCPayments' web site is located at www.directcash.net. The contents of the website are expressly not incorporated by reference into this document.

FINANCIAL PRESENTATION AND NON-GAAP MEASURES

DCPayments prepares its financial statements in Canadian dollars and in conformity with generally accepted accounting principles in Canada (including IFRS that have been incorporated into Canadian GAAP).

DCPayments uses EBITDA as an additional GAAP measure. EBITDA is an important measure utilized by management in assessing the financial performance of DCPayments relative to its operating plans and budgets. It is also the measurement utilized by the holders of DCPayments' long-term debt, as described in note 12 to the consolidated financial statements, in calculating financial covenants. DCPayments has presented EBITDA prior to unrealized foreign exchange gains and losses and non-recurring other gains. DCPayments utilizes this presentation of EBITDA because it is consistent with the definitions under DCPayments' credit facility agreement. DCPayments has also presented EBITDA prior to the deduction for acquisition-related expenses. These expenses relate only to business combinations which are complex, require the pre-approval of DCPayments’ lenders and are financed utilizing long-term debt or the issue of equity or a combination thereof. Costs incurred on recurring asset acquisitions are not considered acquisition-related expenses and are included with other expenses in the consolidated statement of operations. DCPayments’ EBITDA may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to EBITDA as reported by such issuers.

There are a number of financial calculations that are not defined performance measurements under GAAP but which DCPayments believes are useful and accepted performance measurements utilized by the investing public in assessing the overall financial performance of DCPayments and to compare cash flows between entities.

“EBITDA margin”, “EBITDA per share”, "funds from operations", "funds from operations per share", "productive capital maintenance expenditures", "growth capital expenditures" and "non-cash working capital" are not defined performance measures under GAAP (including IFRS forming part of GAAP) and do not have standardized meanings prescribed by GAAP. DCPayments' definitions and computations of these non-GAAP measures may differ from similar definitions and computations as reported by other issuers and, accordingly, may not be comparable to amounts reported by other issuers.

Funds From Operations & Funds From Operations Per Share

DCPayments calculates funds from operations as net income (loss) plus or minus depreciation, amortization, deferred income taxes expense (benefit), non-cash finance costs, unrealized foreign exchange gains and losses and other non-cash charges and after provision for productive capital maintenance expenditures (see discussion below). Funds from operations per share is calculated on the same basis as net income (loss) per share, utilizing the basic and diluted weighted average number of common shares outstanding during the period presented. Readers are cautioned that funds from operations cannot be assured to continue at equivalent levels in the future. DCPayments’ funds from operations and funds from operations per share may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to funds from operations and funds from operations per share as reported by such issuers.

Shareholders of DCPayments receive monthly payments in the form of dividends. Dividends are funded by the generation of funds from operations of the business. All of the income generated at the level of the various subsidiaries of DCPayments is taxed by applicable government authorities with the remaining after-tax funds either being retained by the subsidiary or distributed up to DCPayments where it can be made available for payment of dividends by DCPayments. Continued future distribution of dividends (and the amount of any dividends) is subject to DCPayments’ Board of Directors approval. DCPayments’ Board of Directors is not obligated to distribute all net available cash as dividends to shareholders.

Productive Capital Maintenance Expenditures & Growth Capital Expenditures

DCPayments differentiates capital expenditures between growth and productive capital maintenance. There is no such distinction under GAAP, however DCPayments believes it is important to differentiate between them. Maintenance capital expenditures represent an adjustment to funds from operations while growth capital does not.

Maintenance capital expenditures are defined as expenditures required to service and maintain DCPayments' existing productive capacity, while growth capital is expended to increase DCPayments' productive capacity by adding additional sources of revenue not currently in existence. Current measures of productive capacity that DCPayments utilizes include ATMs and debit terminals under contract. Maintenance capital expenditures include software and hardware upgrades to existing infrastructure, ATM and debit terminal equipment upgrades necessary to meet changing regulatory requirements, contract extension incentives including replacement of equipment under existing or renewed contracts, and fleet vehicle purchases and upgrades. Examples of growth capital expenditures include the acquisition of a competitor's assets, the cost of an ATM in a new location, or technology costs related to new sources of revenue.

Readers are cautioned that DCPayments' computation of maintenance capital expenditures may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to productive capital maintenance expenditures as reported by such issuers.

Non-Cash Working Capital

Non-cash working capital is not a defined GAAP measure. DCPayments calculates changes in non-cash working capital as changes during a reporting period in current assets (excluding cash, cash in circulation and restricted funds) and current liabilities (excluding bank overdraft, restricted funds and current portion of long-term debt).

Caution Regarding Additional GAAP and Non-GAAP Measures

Shareholders and prospective investors should be cautioned that (a) EBITDA should not replace net income or loss (as determined in accordance with GAAP) as an indicator of DCPayments' performance, and (b) "funds from operations" should not replace "net cash from operating activities" (as determined in accordance with GAAP) as an indicator of cash flows from operating activities. DCPayments' method of calculating EBITDA, "funds from operations", "productive capital maintenance expenditures" and change in "non-cash working capital" may differ from the methods used by other issuers. Therefore, DCPayments' EBITDA, "funds from operations", "productive capital maintenance expenditures" and "non-cash working capital" may not be comparable to similar measures presented by other issuers.

CORPORATE STRUCTURE

General

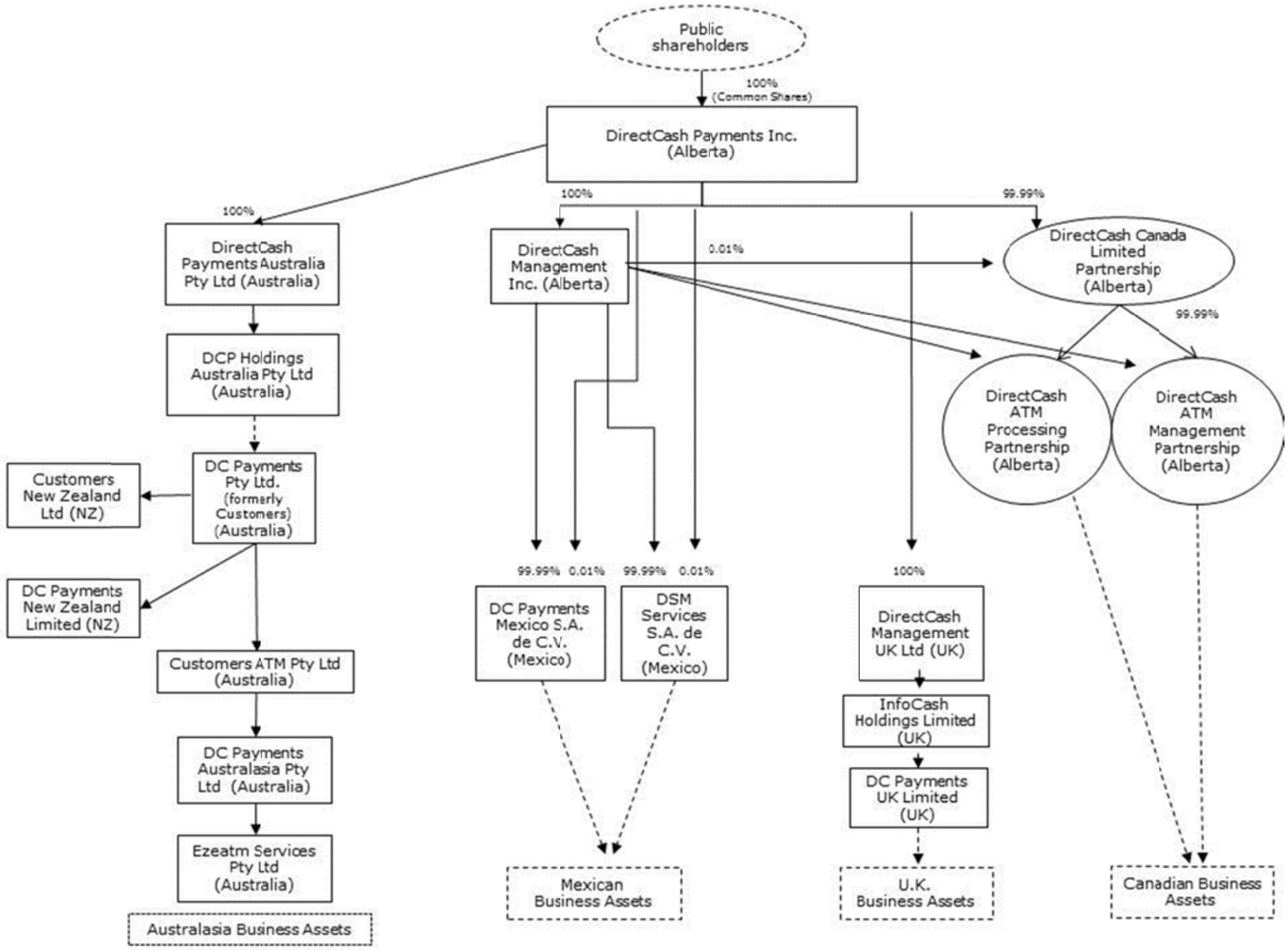
DCPayments is a corporation amalgamated under the laws of the Province of Alberta. The original DCPayments was incorporated on October 7, 2010. The original DCPayments and DirectCash Acquisition Corp. (a wholly owned subsidiary) amalgamated pursuant to Articles of Amalgamation filed December 30, 2012. DCPayments amalgamated with Threshold on January 1, 2014. The constating documents of DCPayments after the amalgamation were identical to the pre-amalgamation constating documents. The principal head office and registered office of DCPayments is located at Bay #6, 1420 – 28th Street N.E., Calgary, Alberta T2A 7W6. The Common Shares are listed and posted for trading on the TSX under the symbol "DCI".

DCPayments does not conduct the Business directly. Rather, in each relevant jurisdiction, the Business is carried on through subsidiaries controlled (directly or indirectly) by DCPayments. As of the date hereof, of the corporations, partnerships and other entities comprised in DCPayments are 100% controlled (directly or indirectly) by DCPayments.

Inter-Corporate Relationships

Organizational Structure

The following chart illustrates the DCPayments Group's corporate structure as of the date of this document:



Notes:

(1) Corporations or other entities which have de minimus operations are not shown in the diagram, such entities include Processing Services Australia Pty Ltd (Australia), Firstpoint Payments Pty Ltd (Australia), Customers Operations Pty Ltd (Australia), DC Payments Prepaid Pty Ltd (Australia), DirectCash USA Inc. (Nevada USA) and DirectCash Management Australia Pty Ltd (Australia).

DEVELOPMENT OF THE BUSINESS

Three Year History

The following is a general description of DCPayments Group's significant business development over the past three years.

2012

On May 25, 2012, DCPayments purchased all of the shares of InfoCash, a private company based in the United Kingdom, from Triton Systems of Delaware, LLC. The purchase price was $19.1 million including working capital such as inventory, prepaid expenses and accounts receivable. A total of approximately 4,700 ATM sites and related contracts were acquired by DCPayments in the United Kingdom pursuant to this acquisition.

On July 4, 2012, DCPayments successfully completed the acquisition of all of the outstanding shares of Customers. The total consideration for the purchase of 100% of the fully diluted shares of Customers was approximately A$173 million (approximately $180 million Canadian) in cash plus the assumption of $43 million in outstanding debt of Customers, which was repaid on closing of the transaction. As part of the Customers Acquisition, DCPayments acquired (indirectly) all of the shares of Customers' subsidiary entities. This included a minority interest in DCP NZ. Headquartered in Melbourne, Australia, Customers was at the time of acquisition the largest branded non-financial institution ATM operator in Australia with some additional operations in New Zealand (having approximately 6,600 ATM sites in Australia and New Zealand). Following the Customers Acquisition, Customers was delisted from the Australia Stock Exchange and effective November 1, 2012, changed its name to DC Payments Pty Ltd.

On August 8, 2012, DCPayments issued $125 million aggregate principal amount of Notes which mature on August 8, 2019 (at which time the principal must be paid in full). The Notes were issued on a private placement basis through a syndicate of underwriters led by BMO Capital Markets. The Notes are direct senior unsecured obligations ranking *pari passu* with all other present and future senior unsecured indebtedness of DCPayments and bear interest at 8.125% per annum, payable semi-annually on February 8 and August 8. The Notes are guaranteed by all DCPayments Group entities with material assets and contain no maintenance covenants. These Notes are not listed for trading on any stock exchange and are not assignable by the holders thereof except in accordance with the terms of the note indenture dated August 8, 2012 between DCPayments, Valiant Trust Company, Processing Partnership, DCManagement, DirectCash Acquisition Corp., Management Partnership, DirectCash Payments Australia Pty Ltd. and DCP Holdings Australia Pty Ltd.

On August 9, 2012, DCPayments completed a public offering of 2,800,000 Common Shares at a price of $23.35 per Common Share for gross proceeds of approximately $65.4 million.

On November 15, 2012, DCPayments acquired the remaining 52.25% of DCP NZ that DCPayments did not already hold for approximately $1.0 million ($1.2 NZ) (increasing DCPayments' total holdings to 100%). The initial 47.75% interest was acquired as part of the Customers Acquisition. Subsequently, as a form of incentive to assist with the development of the New Zealand business, DCPayments sold 3% of the shares of DCP NZ to a person acting as New Zealand resident director of DCP NZ . In January 2014, the 3% held by the New Zealand resident director was returned to DCPayments and the incentive arrangement was terminated. DCPayments now owns 100% of DCP NZ.

On December 7, 2012, DCPayments acquired additional UK assets from a privately held corporation engaged in ATM services for cash consideration of approximately $3.3 million (£2.1 million) subject to customary holdbacks and normal course purchase adjustments.

Effective December 30, 2012, an internal reorganization was carried out with respect to certain of DCPayments' subsidiaries in Canada, including how the Canadian entities hold the shares of some of DCPayments' foreign subsidiaries. On a consolidated basis, the reorganization steps did not have any material effect on DCPayments' operations.

Throughout 2012, DCPayments acquired Canadian assets from a number of privately held corporations and individuals engaged in ATM services for aggregate cash consideration of $1.3 million (after customary holdbacks and normal course purchase adjustments).

2013

Ms. Susan M. Anderson did not stand for re-election as a director of DCPayments at DCPayments annual meeting held on May 23, 2013 and, as such, Ms. Anderson ceased to be a director of DCPayments on May 23, 2013.

In October 2013, DC Payments acquired assets from an ATM deployer in western Canada for aggregate cash consideration in the amount of $3.1 million subject to customary holdbacks and normal course purchase adjustments.

On October 31, 2013, DCPayments amended its Debt Agreements (as defined herein) with its lending syndicate. Pursuant to the amendments to the Debt Agreements, DCPayments' financial covenants under its existing Debt Agreements were replaced with more favourable financial covenants. DCPayments has credit facilities with a syndicate of lenders (collectively, the "**Lenders**") in favour of DCPayments and, as applicable, certain of its material subsidiaries (collectively, the "**Borrowers**"). The agreements (collectively, the "**Debt Agreements**") between the Borrowers, the Lenders and the Agent under which the credit facilities are made available contain representations and warranties, covenants and events of default customary for agreements of this nature.

The credit facilities established under the Debt Agreements consist of: (i) a $115 million five-year revolving credit facility available to the Borrowers for general corporate purposes (the "**Revolving Facility**"). Interest and fees payable in respect of the Revolving Facility are based upon the ratio of DCPayments' consolidated funded debt for borrowed money to DCPayments' consolidated EBITDA (as defined in the Debt Agreements). The Revolving Facility matures on June 28, 2017 and as of December 31, 2014 the total amount outstanding under this Revolving Facility was approximately $29.8 million; and (ii) a five-year non-revolving amortizing term credit facility in the amount of $40.3 million and A$6.8 million as of the date hereof (the "**Term Loan**"). Interest and fees payable in respect of the Term Loan are also based upon the ratio of DCPayments' consolidated funded debt for borrowed money to DCPayments' consolidated EBITDA (as defined in the Debt Agreements). Fifty percent of the original amounts drawn under the Term Loan ($85 million) amortizes over five years in quarterly instalments which commenced on February 28, 2013 and the Term Loan matures on June 28, 2017. The Debt Agreements are subject to certain financial covenants and breach of any of these covenants or the occurrence of any other event of default under the Debt Agreements would, in the absence of a consent or amendment being granted by the Lenders, result in the Borrowers being unable to draw additional funds under the Revolving Facility or pay further dividends to DCPayments Shareholders and could result in the Lenders exercising their remedies under the Debt Agreements. As at the date hereof, DCPayments is in compliance with its covenants under the Debt Agreements.

On November 1, 2013, DCPayments announced that it had completed the acquisition of all of the issued and outstanding shares of Threshold, a business operating credit union and financial institution which provides transaction Card and ATM processing services, ATM outsourcing and its own ATMs, as well as outsourcing arrangements for ATMs with retailers in Canada, for total consideration of $50 million less certain customary closing purchase price adjustments from Brink's Canada Limited. The purchase price for the Threshold Acquisition was paid in full from existing credit facilities and cash on hand on the closing date. Threshold is a full service integrated solution provider of comprehensive and innovative Card and ATM payments processing and ATM managed services solutions. Threshold specializes in ATM Network management and the provision of Card and ATM payments processing services to credit unions, financial institutions and major retailers across Canada. Threshold had two primary business segments, the CUFI Business and the Non-Bank ATM Business.

The CUFI Business provides switch and Card and ATM transaction processing services and other managed services to credit unions and financial institutions across Canada. The end-to-end payment solutions provided by Threshold to the credit unions and financial institutions enable those credit unions and financial institutions to outsource their Debit and ATM Card processing and compete with services similar to those offered by larger banks. The CUFI Business services are broadly comprised of transaction switching services, Card provisioning, payments processing, reporting and settlement, fraud management, ATM cash management, ATM fleet management and project-based consulting services. The CUFI Business adds an additional approximate 1,100 ATMs, managed under CUFI Business contracts, to the DCPayments Network in Canada.

The Non-Bank ATM Business of Threshold consists of approximately 1,000 retail non-bank ATMs owned and operated under the "LaserCash" brand as well as additional ATMs managed on behalf of gaming and major retail clients in Canada. Similar to DCPayments' current operations, these ATMs operate under either a per transaction revenue structure or on a monthly management fee basis.

Additionally, Threshold operates THE EXCHANGE® Network in Canada as its Central Switch Provider a shared surcharge-free ATM Network comprised of over 200 financial institutions and more than 2,200 ATMs.

On November 1, 2013, DCPayments entered into an unsecured vault cash rental agreement (the "**Vault Cash Rental Agreement**") for up to $40 million with a major Canadian financial institution (the "**Vault Cash Provider**") which was executed on substantially the same terms as the unsecured vault cash rental agreement of Threshold as a part of the Threshold Acquisition and an additional unsecured vault cash rental agreement related to DCPayments' existing Canadian ATM fleet (the "**Additional Vault Cash Rental Agreement**" and, together, the "**Vault Cash Rental Agreements**") for up to $60 million with the Vault Cash Provider. The Vault Cash Rental Agreements allowed DCPayments to free up available cash as amounts previously loaded into DCPayments' ATMs, which were funded through the Revolving Facility, were replaced with cash supplied under the Vault Cash Rental Agreements. The structure of the Vault Cash Rental Agreements is such that DCPayments does not have an ownership claim over the currency loaded into serviced ATMs. Ownership of the vault cash remains with the Vault Cash Provider; however, the terms of the agreements provide DCPayments with sufficient operational control of currency loading to ensure DCPayments' ongoing standards of service reliability. DCPayments pays a fee to the Vault Cash Provider based on the total amount of vault cash outstanding at any given time and based on the number of currency bills supplied by the Vault Cash Provider. As Vault Cash Rental Agreements do not have DCPayments holding the cash or allow it to have access to the cash and the cash at all times remains the property of the Vault Cash Provider, the cash made available under this agreement is not debt, and nor are the Vault Cash Rental Agreements considered debt instruments.

On November 15, 2013, DCPayments completed a public offering of 950,000 Common Shares at a price of $16.00 per Common Share for gross proceeds of $15.2 million. The net proceeds from the offering were used to partially repay amounts drawn under the Revolving Facility in respect of the Threshold Acquisition.

During the year ended December 31, 2013, DCPayments repaid a total of $12.2 million and A$2.0 million on its term loan including $10.0 million of discretionary repayments on the term loan made on June 28, 2013. Concurrent with the repayment the lenders agreed to reduce the mandatory principle repayments due over the following four years by $10.0 million under an amended loan amortization schedule.

2014

Subsequent to the Threshold Acquisition, the assets of Threshold were conveyed to the Management Partnership and the Processing Partnership and on January 1, 2014 DCPayments amalgamated with Threshold.

In March, 2014, DCPayments received a revised private ruling from the Australia Tax Office ("**ATO**") confirming the entitlement to claim reduced input tax credits for GST included in the rebates we pay to certain merchants. The ruling allowed DCPayments to retrospectively claim credits back to March, 2009, the date that direct charging was implemented in Australia. DCPayments claim was assessed by the ATO and DCPayments recorded an after-tax gain of $4.5 million during 2014. DCPayments recognized $2.4 million of the GST recovery as reduction in cost of sales for the portion related to periods subsequent to the Customers Acquisition in July, 2012, and $4.0 million in other gains related to periods prior to the Customers Acquisition.

On March 27, 2014, DCPayments received approval from the TSX of a Normal Course Issuer Bid ("**NCIB**"). The NCIB is for a maximum of 879,464 Common Shares, representing approximately 5.0% of the 17,589,279 currently issued and outstanding Common Shares. No prior purchases of Common Shares had been made by DCPayments pursuant to any NCIB prior to March 27, 2014. In accordance with the results of the TSX governing normal course issuer bids, the total number of Common Shares DCPayments is permitted to purchase is subject to a daily purchase limit of 14,687 shares, representing 25.0% of the average daily trading volume of DCPayments shares on the TSX calculated for the six-month period ended February 28, 2014, provided, however, that DCPayments may make one block purchase per calendar week which exceeds the daily re-purchase restriction. The price that DCPayments will pay for any Common Shares under the NCIB will be prevailing market price on the TSX at the time of such purchase. Common Shares acquired under the NCIB will be cancelled. The NCIB commenced on April 1, 2014 and terminates on March 31, 2015. Acumen Capital Finance Partners Limited agreed to act as broker to DCPayments to conduct any purchases under the NCIB. As of the date hereof, DCPayments has made no purchases of Common Shares under the NCIB.

On April 13, 2014, DCPayments announced that one of its payday loan customers, CashStore, had obtained an order from the Ontario Superior Court of Justice granting CashStore's application for protection from its creditors under CCAA.

In April, 2014, DCPayments requested and obtained approval from the Lenders to prepay the amortizing portion the Term Loan by $20.0 million. This was completed on April 30, 2014 by redrawing under Revolving Facility. Concurrent with the amendments to the credit agreement, DCPayments' estimated cash flow sweep requirement of approximately $6.0 million was waived. After giving effect to the amendments, only $5.3 million of the amortizing Term Loan remains.

On April 14, 2014, DCPayments Australia acquired a 19.64% shareholding in Eze the fourth largest ATM deployer in Australia.

On May 13, 2014, DCPayments entered into an agreement to acquire DC Bank through the acquisition of all of the issued and outstanding shares of DC Bank's sole shareholder, 6676405 Canada Ltd. ("**6676405**") for consideration of $15 million, payable in Common Shares issued from treasury at a price of $13.9148 per share, which was equal to the 20 day volume-weighted average trading price of the Common Shares on the TSX as at the close of business on May 12, 2014. Accordingly, upon closing, DCPayments will issue 1,077,989 Common Shares to the shareholders of 6676405, subject to adjustment on account of a minimum net asset value of DC Bank as at closing. In accordance with the terms of the agreement, the minimum net asset value of DC Bank as at closing must be approximately $7.0 million. Closing of the transaction is subject to a number of regulatory, governmental and other approvals and consents, including the approval of the Minister of Finance (Canada) and the TSX. The process of obtaining these approvals is ongoing as of the date hereof.

Mr. Kevin W. Wolfe did not stand for re-election as a director of DCPayments at the annual meeting of DCPayments held on May 22, 2014, and, as such, Mr. Wolfe ceased to be a director of DCPayments on May 22, 2014.

On August 14, 2015, DCPayments announced an annual dividend increase to $1.44 per common share from $1.38 per common share effective for the August, 2014 dividend paid on September 30, 2014 to Shareholders of record on August 29, 2014.

On October 15, 2014, CashStore announced that the Ontario Superior Court of Justice had approved the binding agreement for CashStore to sell a portion of its business and assets to National Money Mart Company ("**MoneyMart**").

On October 31, 2014, DCPayments announced that it had successfully completed the acquisition of all of the outstanding shares of the Australian based subsidiary of Eze together with all of the ATM business assets for total consideration of approximately A$12.8 million, subject to working capital and customary adjustments. The purchase price for the Eze Acquisition was paid in full from existing credit facilities on the closing date. On closing, DCPayments acquired Australia's fourth largest Network of branded ATMs with approximately 1,325 ATM sites and related contracts in Australia.

Throughout 2014, DCPayments reduced its long-term debt by $36.8 million compared to December, 2013 primarily as a result of completing the transition of its Canadian ATM fleet from utilizing corporate vault cash to rented vault cash.

On February 6, 2015, CashStore announced that it had completed the sale of a portion of its business and assets to MoneyMart. DCPayments continues to supply products and services for the acquired business being operated by MoneyMart. DCPayments has no assurance that it will continue to provide products and services to MoneyMart on a long-term basis.

Significant Acquisitions

There were no other significant acquisitions completed by DCPayments during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

GENERAL DESCRIPTION OF BUSINESS

Summary Description of the Business

DCPayments categorizes its business into two (2) separate lines of business: DCPayments' ATM business and DCPayments' banking services business.

DCPAYMENTS

	ATMs	**Banking Services**
Principal Business Operations	ATM transaction processing; ATM ownership; ATM service and maintenance; Sale of ATMs; and ATM management for retail clients.	Sale of prepaid Debit Cards and Credit Cards; Processing of Prepaid Card transactions; Sale of prepaid cellular and long distance air time; Operates a direct connector to Interac for its credit union customers and operates the EXCHANGE Network; Debit transaction processing; Debit Terminal ownership; Debit Terminal service and maintenance; Sale of Debit Terminals; and CUFI Business.

Summary of Business by Geographic Area

The basic history and status of DCPayments' primary business by geographic area (for the geographic areas that DCPayments carries on significant business) is as follows:

Canada

DCPayments started in (i) the ATM business in Canada in 1997, (ii) the Debit Terminal business in 2002, and (iii) the Prepaid Products businesses in 2002. Prior to the Threshold Acquisition, the majority of DCPayments Canadian business was initially achieved "organically" (i.e. customers being signed up to contracts for goods and services directly through the efforts of DCPayments' sales staff and distributors). In addition to this organic growth, DCPayments completed numerous acquisitions over the years of other Canadian competitors in ATM business. From November 2013, the Canadian business was diversified as a result of the Threshold Acquisition to include the CUFI Business and a broader range of ATM management services for financial institutions. In Canada, DCPayments is a full-service operator and transaction processor (i.e. DCPayments operates its own proprietary transaction "switch" in Canada) in each of the business segments (ATMs and Banking Services). In addition DCPayments operates a direct connection to Interac for its credit union customers and operates the EXCHANGE Network. Based upon the most recently available information obtained from competitors and market research (Source: Retail Banking Research - Global ATM Market Forecast to 2019: Canada, published September, 2014) regarding the number of ATMs deployed by each Canadian chartered bank, DCPayments is the largest deployer of ATMs in Canada.

Australia and New Zealand

DCPayments started an Australia Prepaid Product business organically in October 2009. However, the bulk of DCPayments' business in Australia resulted from the Customers Acquisition that was completed on July 4, 2012. Customers started in the ATM business in Australia in 2003. The majority of Customers' Australia ATM business was achieved through acquisition of other smaller competitors. Customers started in the ATM Business in New Zealand in 2007 (through an acquisition of a 3.75% interest in New Zealand ATM Services Limited (now, DCP NZ). In Australia, Customers had transaction processing capability (i.e. operated its own proprietary transaction "switch" in Australia) but DCPayments has decommissioned the Australia switching functions and has changed to more cost effective third party processing arrangements. Additionally, pursuant to the Eze Acquisition, DCPayments acquired approximately 1,325 ATM sites and related contracts and increased the total number of DCPayments ATM active terminals in Australasia to approximately 7,539 as at December 31, 2014. Based upon information obtained from market research (Source: Retail Banking Research - Global ATM Market Forecast to 2019: Australia, published September, 2014), DCPayments is the largest deployer of non-bank ATMs in Australia and New Zealand.

DCPayments’ revenue ceased in the Australasia Prepaid Product market in October, 2013, as DCPayments’ sole customer’s operations were suspended. In January, 2014 DCPayments launched a new innovative Prepaid Card offering in Australasia whereby ATM customers can purchase a Prepaid Card that can only be used at a DCPayments ATM, allowing customers to access their cash by making withdrawals where this access to cash might otherwise be limited.

United Kingdom

DCPayments started a UK Prepaid Product business organically in October of 2011. However, the bulk of DCPayments' business in the United Kingdom resulted from the acquisition of InfoCash that was completed on May 25, 2012. InfoCash started in the ATM business in the United Kingdom in 1999. In the United Kingdom DCPayments does not have its own proprietary transaction processing capability but rather uses third party processing arrangements. Based upon information obtained from competitors and information publicly available regarding the number of ATMs deployed as at December, 2013, DCPayments is currently the 3rd largest deployer of non-bank ATMs in the UK (Source: LINK).

DCPayments exited the United Kingdom Prepaid Product market in January, 2014, although DCPayments could re-enter this market in the future should opportunities arise.

Mexico

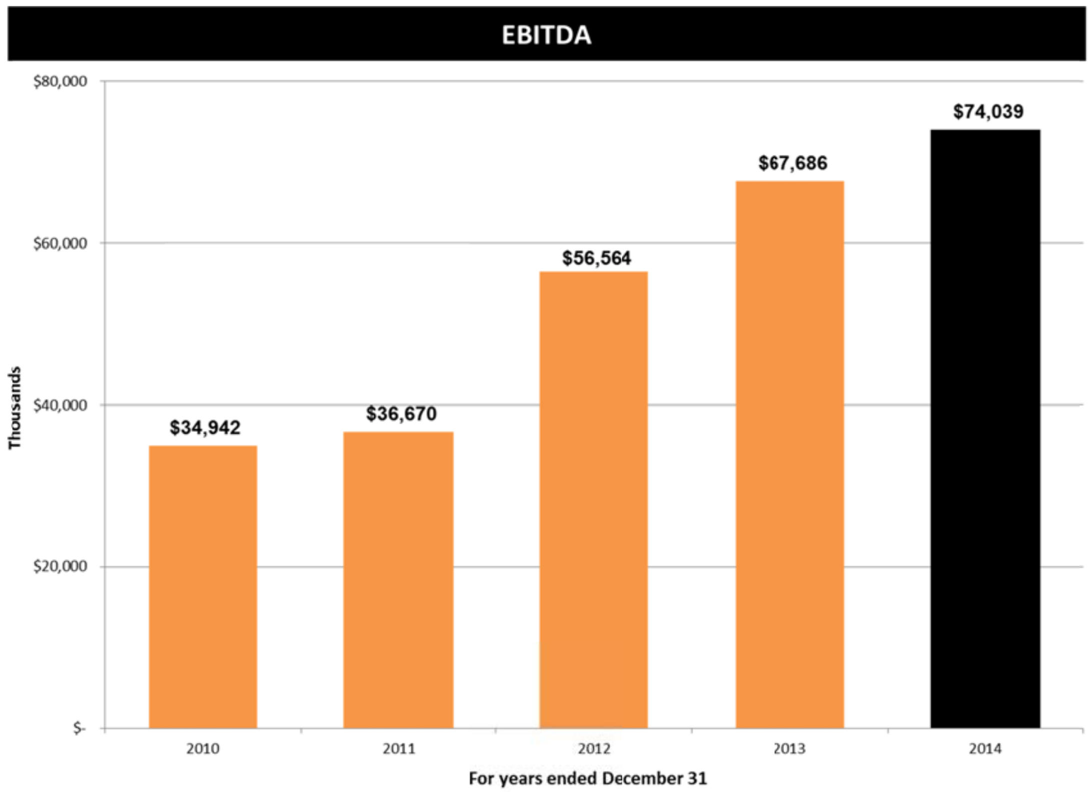
DCPayments started a Mexican ATM business organically in 2008. The ATMs are primarily located in tourist destinations and resorts. In Mexico, DCPayments does not have a proprietary transaction processing capability but rather uses third party processing arrangements. DCPayments is still a relatively small competitor in the ATM market in Mexico.

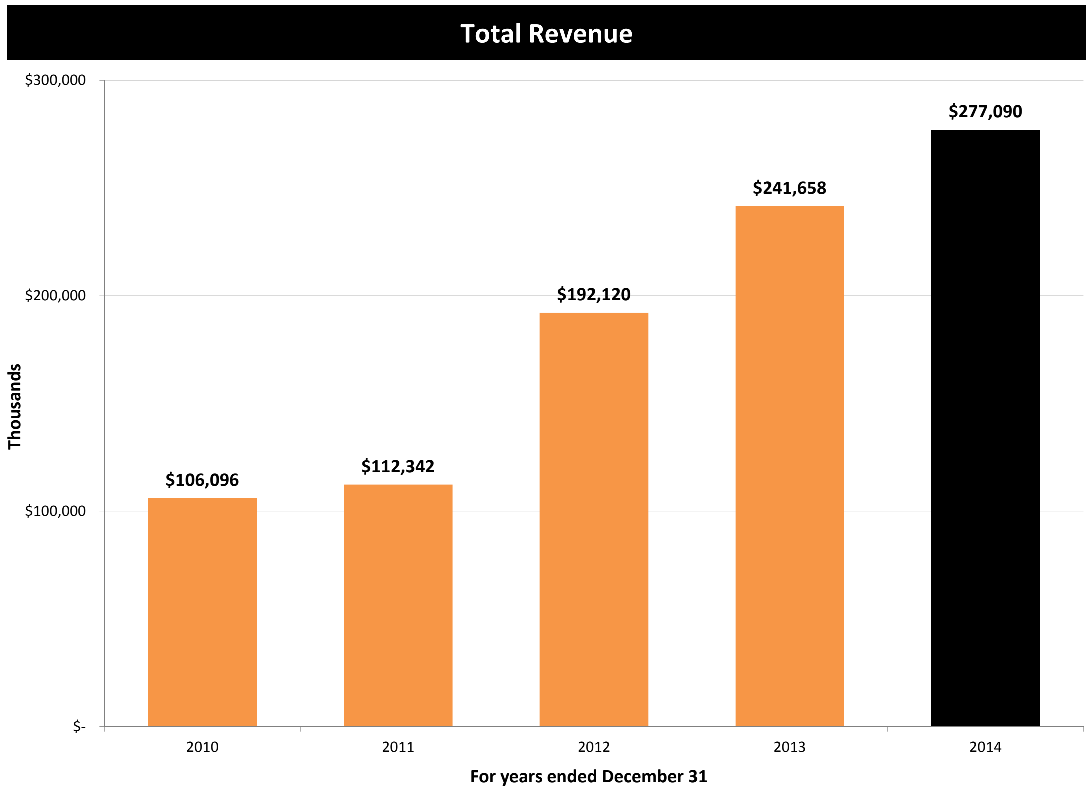
USA

DCPayments has exited the USA ATM and Prepaid Product market, although this geographic segment could be resurrected to meet with future opportunities.

Five year EBITDA and Revenue

The following charts show DCPayments' EBITDA and total revenue for the past 5 years (these results are consolidated results from all jurisdictions in which DCPayments carries on business but only include revenue and income from the entities acquired in the Customers Acquisition, the UK Acquisition, the Threshold Acquisition and the Eze Acquisition from and after the date of acquisition):





DCPayments' MD&A includes a table under the section entitled "EBITDA" which illustrates how DCPayments derives EBITDA from net income for the last 2 years by adding back or deducting 8 line items (finance costs, acquisition related expenses, depreciation of property and equipment, amortization of intangible assets, unrealized loss (gain) on foreign exchange, current and deferred income taxes and other gains). Reference can be made to the MD&A filed on SEDAR (www.sedar.com) for details regarding how the calculation is carried out.

Relationship With DC Bank

DCPayments' prepaid Debit Cards and Credit Cards require that DCPayments enter into contracts with financial institutions that have been authorized by Networks to be the Issuer of such Cards. At the time DCPayments initially established the Canadian Prepaid Card business in 2002, DCPayments was not able to negotiate contracts on satisfactory terms with the existing federal chartered banks. DCPayments was able to negotiate a contract with a small Ontario credit union. The fact that the credit union was not a federal financial institution limited opportunities available in the Prepaid Card business.

Through this process, DCPayments' management team identified an opportunity to incorporate a Canadian chartered bank as a subsidiary. Incorporation of a new bank requires an extensive application and due diligence process, with the ultimate decision as to whether the bank is incorporated resting with the federal Minister of Finance. DCPayments management through discussions with Office of the Superintendent of Financial Institutions determined that it was unlikely that DCPayments would be allowed to incorporate a bank because DCPayments was organized under an "income trust" structure at that time. Thereafter, with this opportunity effectively unavailable to DCPayments, the senior executives of DCPayments began the process of trying to incorporate a federal bank as a separate entity (i.e. separate from DCPayments). This process was successful and DC Bank was incorporated on October 3, 2007 as a Schedule I bank under the Canadian Federal Bank Act.

On January 24, 2008, the federal Superintendent of Financial Institutions authorized DC Bank to carry on business. The sole shareholder of DC Bank is 6676405 Canada Ltd. (which is a corporation owned by Susan M. Anderson and Jeffrey J. Smith). Susan M. Anderson (Executive Vice President of DCManagement until December 31, 2007), was the President of DC Bank from October 3, 2007 to February 4, 2014 and is no longer an employee of DCPayments. The current President of DC Bank is Debra Puckett, who was appointed on February 3, 2014. Three of DCPayments' directors (Jeffrey J. Smith, Gary H. Dundas and Ronald G. Waxman) are also directors of DC Bank.

Although the DC Bank name includes the word "DirectCash", none of the DCPayments Group entities hold any ownership interest in DC Bank. Any business relationships between DC Bank and DCPayments are governed by contracts between the relevant entities. Furthermore, DC Bank's business is not limited to just dealing with and providing service to DCPayments. DC Bank can provide services and products to other individuals, entities and businesses. Because certain directors and officers of DCPayments and their associates and affiliated corporations are the owners of DC Bank, the approval process for any material contracts entered between DCPayments and DC Bank takes into account the conflict of interest. The independent members of the Board of Directors of DCPayments (and of the Board of Directors of DC Bank) are required to approve any such material contracts.

The DC Bank Agreement provides that DCPayments agreed to provide transaction processing and technology services to DC Bank and DC Bank customers would have surcharge free access to the DCPayments ATM Network. In order to provide the services required by DC Bank, DCPayments has developed various new or additional software - all of the intellectual property rights associated with this newly developed software are owned by DCPayments. Under this agreement, DC Bank pays DCPayments a fee equal to the fees (if any) collected by DC Bank from the customers associated with such services less a "minimum fee" set in the agreement. The "minimum fee" is effectively a revenue guarantee provided by DCPayments to DC Bank. DCPayments and DC Bank have agreed that commencing January 1, 2011 the base minimum fee that DC Bank shall be entitled to shall be set at a specified amount per month (subject to yearly adjustment to take into account general inflation). DCPayments has agreed that DCPayments shall and shall cause all of DCPayments' affiliates to exclusively use DC Bank for the provision of banking access services (i.e. when DCPayments develops a business or service which contemplates that a financial institution provide a banking access service to the customer, DCPayments shall not enter into arrangements with a financial institution other than DC Bank to provide the service - unless the service is one which DC Bank is not capable of providing or has decided not to provide). DC Bank has the right to terminate DC Bank's agreement with DCPayments if any adverse government or bank regulator action which impairs the ability of DC Bank to continue providing banking access services as contemplated by the agreement occurs.

In order to take advantage of business opportunities proposed by DCPayments, DC Bank commenced provision of some additional product and service offerings ("**New Bank Services**"). Typically these New Bank Services are provided to customers of DCPayments (under separate agreements between DC Bank and the customer) and are complementary to other services provided to those same customers by DCPayments. DC Bank typically retains DCPayments to provide various transactional processing services that DC Bank requires in connection with the provision of the New Bank Services. DC Bank does and can incur significant regulatory and compliance costs and risks associated with providing services (including New Bank Services). As a service provider, DCPayments has in several cases agreed to indemnify DC Bank from certain losses/costs that DC Bank may incur as a result of DC Bank's involvement in such New Bank Services. In several cases, as an incentive for DC Bank to become involved in offering a particular New Bank Service, DCPayments has agreed to pay DC Bank an additional fee so that DC Bank achieves certain minimum revenue levels from the New Bank Service. The most significant New Bank Services that DCPayments has requested DC Bank to become involved in and which DC Bank was offering as of the date hereof include:

(a) In 2009, DC Bank acquired certain of the MasterCard ICA number ranges from another financial institution. This facilitated the continuation of several prepaid MasterCard Card programs that Mint Technology Corp. (and related corporations) were providing. DCPayments took on Mint Technology Corp. as a customer and in January 2010, acquired the related businesses from Mint Technology Corp. DCPayments agreed to pay DC Bank a specified fee per month for DC Bank's acquisition of these MasterCard ICA number ranges and sponsorship of these prepaid MasterCard programs.

(b) In February 2010, DC Bank began offering bank accounts (and the related financial services that typically accompany a bank account) to persons who are customers for DCPayments' prepaid MasterCard programs. In order to facilitate the opening of bank accounts DC Bank entered into Agency Arrangements with some of DCPayments' merchant customers to obtain their assistance with obtaining the necessary information and carrying out tasks required under applicable banking laws (i.e. before a bank account can be opened for anyone). These agency arrangements allow for customers of the bank account services to attend at various locations in order to obtain their bank account. DC Bank earns a number of fees associated with these bank accounts and pays DCPayments a portion of such fees as compensation for the services provided by DCPayments. In 2011 DCPayments agreed that if the net fees earned by DC Bank (after payment to DCPayments of DCPayments' portion of such fees), are not at least equal to the greater of a (i) specified flat monthly minimum fee or (ii) a fee per active open bank account, then DCPayments will make up the difference by making a return payment to DC Bank.

(c) In January 2010, DC Bank entered into an agreement with a third party service provider which gives DC Bank the capability to offer DC Bank account holders (and holders of Prepaid Cards issued by DC Bank) bill payment transaction capability. For Prepaid Cards issued to DCPayments customers, starting in 2011 DCPayments agreed to pay the services charges incurred by DC Bank associated with this bill payment service and to pay to DC Bank a monthly fee equal to the greater of a (i) specified flat monthly minimum fee, or (ii) a fee per bill payment transaction, for DC Bank's continuing offering of this service.

(d) In January 2011, DC Bank began offering branding rights to DCPayments whereby DCPayments will brand DCPayments' ATMs with the DC Bank logo, for which DCPayments agreed to pay DC Bank a monthly fee equal to the greater of a (i) specified flat monthly minimum fee, or (ii) fee per ATM which is branded with DC Bank's logos, for DC Bank's continuing offering of this service.

On May 13, 2014, DCPayments entered into an agreement to acquire DC Bank through the acquisition of all of the issued and outstanding shares of DC Bank's sole shareholder, 6676405 Canada Ltd. ("6676405") for consideration of $15.0 million, payable in Common Shares of DCPayments issued from treasury at a price of $13.9148 per share, which was equal to the 20 day volume-weighted average trading price of the Common Shares on the TSX as at the close of business on May 12, 2014. Accordingly, upon closing, DCPayments will issue 1,077,989 Common Shares to the shareholders of 6676405, subject to adjustment on account of a minimum net asset value of DC Bank as at closing. In accordance with the terms of the agreement, the minimum net asset value of DC Bank as at closing must be approximately $7.0 million. Closing of the transaction is subject to a number of regulatory, governmental and other approvals and consents, including the approval of the Minister of Finance (Canada) and the TSX. The process of obtaining these approvals is ongoing as at the date hereof. To the date hereof, DCPayments has incurred and deferred third-party transaction costs in the amount of $0.2 million, in respect of the agreement.

The Processing Partnership has provided a guarantee of a settlement credit line provided to DC Bank by a financial institution. This guarantee was provided in connection with facilitating a Prepaid Card settlement service offering by DC Bank that DCPayments views as beneficial for DCPayments' customers and is complementary to DCPayments' product and service offerings. In addition, the Processing Partnership is responsible for an outstanding letter of credit issued through DCPayments' bank lender in favour of MasterCard International relating to DCPayments' prepaid MasterCard program. Effective on April 2, 2014, the value of the letter of credit was reduced from U.S. $5.3 million to U.S. $3.0 million as a result of volume in line with the provisions of the relevant contract.

Human Resources & Employees

As at December 31, 2014, DCPayments employed the following number of employees in the jurisdictions indicated. No DCPayments employees are unionized.

	EMPLOYEES	
Country	**Full Time Employees**	**Part Time Employees**
Canada	**218**	**20**
Australia	**102**	**5**
United Kingdom	**60**	**3**
Mexico	**6**	**0**
New Zealand	**4**	**0**

Facility Locations

DCPayments' head office is located in Calgary, Alberta, Canada. DCPayments has: (a) thirteen (13) office/warehouse facilities in Canada (Victoria, British Columbia; Vancouver, British Columbia; two (2) in Calgary, Alberta; Edmonton, Alberta; Saskatoon, Saskatchewan; Winnipeg, Manitoba; three (3) in Mississauga, Ontario; Oakville, Ontario; Montreal, Quebec; and Dartmouth, Nova Scotia); (b) seven (7) office/warehouse facilities in Australia (Moorabbin, Victoria; Heatherton, Victoria; Chatswood, New South Wales; Lane Cove, New South Wales, Osborne Park, Western Australia; Redcliffe, Western Australia and Tingalpa, Queensland) (c) two (2) office/warehouse facilities in United Kingdom (both in Abingdon, Oxfordshire, United Kingdom); (d) one (1) office/warehouse facility in Mexico (Cabo San Lucas, Baja California Sur); and (e) one (1) office/warehouse in Auckland, New Zealand.

Protection of Proprietary Information/ Trademarks

DCPayments relies on a combination of contract, copyright, trademark and trade secret laws, confidentiality procedures and other measures to protect DCPayments' proprietary information. As part of DCPayments' confidentiality procedures, DCPayments generally enters into non-disclosure agreements with DCPayments' employees, distributors and corporate partners. In addition, DCPayments enters into license agreements with respect to DCPayments' software, documentation and other proprietary information. These licenses are non-transferable and have limited terms.

DCPayments holds or uses certain registered and/or common law trademarks (some with corresponding design marks) in Canada, among them "Black & White", "Cashline", "Ca$h Cow ATM", "DC Tag", "DirectCash ATM", "DirectCash Debit", "DCPayments", "DirectCash Prepaid", "DirectCash Reconnect", "DirectCash Talk", "E Card", "E Cash", "Easy Pardon", "Laser Cash", "Pardons Direct", "EZ Prepay", "Fastphone Anywhere, All the Time", "Money in Motion", "POS Solutions", "True North", and "We Work Hard to Make You Money". In Australasia DCPayments uses "Customers ATM", "Transactions Media", "Multibank", "Firstpoint", "Firstpoint Payments", "ExtraCash", "SmartServ", "DC ATM", "DC Payments ATM", "DC Payments", “DC Payments NZ”, and "DC CARD". United Kingdom/Europe DCPayments uses "InfoCash", and "DirectCash", "DCATM", "DCPayments ATM" and "DCPayments". Some of these listed trademarks are not currently in use. Also, because of perceived issues with the registerability of some of the trademarks, DCPayments may no longer be using them. DCPayments often acquires the rights to the registered and/or common law trademarks of entities that DCPayments purchases the assets of - however, DCPayments does not necessarily acquire these with a view to using the trademarks on a long term basis. DCPayments' main concern in acquiring these trademarks is to prevent their use in the future after DCPayments rebrands acquired sites with the "DCPayments" logos and tradenames.

THE ATM INDUSTRY

Overview

The first ATMs were deployed in the 1960s and were initially limited for use by account holders of the financial institutions where the ATMs were located. Networks eventually developed that allowed bank Cards issued by one financial institution to be used at ATMs of other financial institutions. Once these Networks developed, the next step was the development of Debit Terminals that could be used to purchase goods and services from merchants (rather than obtain cash) using the same bank Card.

The significant second stage development for ATMs was the development of laws/rules that allowed for ATMs to be deployed by non-financial institution entities, yet still link in through the Networks controlled by the financial institutions. Non-financial institution ATMs may charge a surcharge fee to customers who withdraw cash with their Debit Cards and may receive the "interchange" fee paid by the financial institutions that issued the Cards that use the ATM.

Today ATM transactions are facilitated through various Networks. The two main parts of these Networks are ‘issuers’ and ‘acquirers’. The following is a brief description of the function of each:

Card Issuers: Card Issuers are typically financial institutions (including DC Bank) that provide their customers (also known as "account holders") with Cards that have access to Networks. Card Issuers receive transactions from acquirers and authorize these transactions based upon the Card Issuers' customer/account holders' account balances and also validate the customer's/account holder's PIN as required. When transactions are completed the Card Issuers pay the applicable Networks (which funds are routed to the applicable acquirer) for amounts purchased or withdrawn plus any fees on a daily basis.

Acquirers: Acquirers control the individual ATMs connected to a Network. Acquirers receive transactions from ATMs and then route these transactions through the Network to the Card Issuers for approval. Acquirers settle (i.e. receive or distribute funds) cash amounts withdrawn from ATMs (based upon what has been approved by the Card Issuers) to the applicable ATM owners.

Networks have rules and regulations that members of the Network must comply with. These rules typically govern operations, security, limits, types/characteristics for devices or technology that can be used in the Network, etc.

Canadian ATM Industry

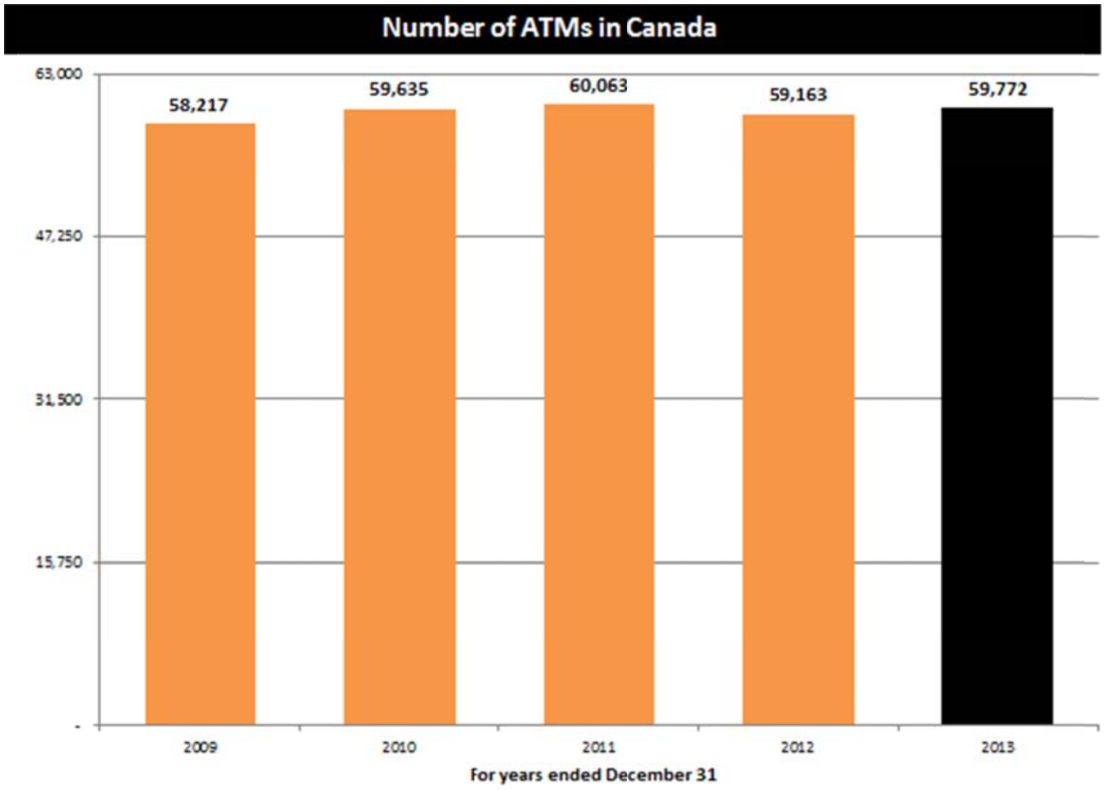
General Background

In Canada the predominant ATM banking Network is the Interac Network and was the organization primarily responsible for the early development and operation of a Canadian national Network of two shared electronic financial services: ATM transactions and Debit transactions. To date Interac has operated as a non-profit organization which purports to set its fees on a cost recovery basis. Historically, the Interac Network was only a closed Network jointly operated by Canada's largest financial institution and the only devices that were allowed to be connected to Interac were devices owned/operated by the member financial institutions. However, in June 1996, the Canadian Competition Tribunal issued the Consent Order. Designed to increase competition in the market for electronic payment services, the Consent Order: (i) resulted in Interac allowing non-financial organizations to participate as members, and (ii) permitted surcharging at ATMs and Debit Terminals in Canada. Surcharging allows the owner of an ATM and/or Debit Terminal to charge a Surcharge Fee on each Interac transaction performed at an ATM. DCPayments has benefited from of these Interac rule changes. Interac is only one of many Networks to which ATMs can be connected but is the predominant Network in Canada. Starting in 2008 or 2009, Interac began the process to apply to vary the Consent Order to allow Interac to become a "for profit" entity (and maybe even a listed public issuer in the future) and to try to lift the controls the Consent Order has over fee structures for ATM transactions, as well as operating and governance rules. There was a strong possibility (if Interac was successful in these efforts) that Interchange Fees (revenue to DCPayments in the ATM business) would not increase enough to keep up with the increased costs to DCPayments arising from the increase in fees charged by Interac. This could have resulted in a reduction in the per transaction profitability of ATM transactions. This Interac conversion proposal could also have resulted in DCPayments receiving a small number of shares in the privatized Interac (if shares are allocated based on historical transaction usage of Interac services by DCPayments). On February 12, 2010, the Commissioner of Competition announced that the Competition Bureau would not support the application by Interac to remove the restriction against "for profit" activities. However, the February 12, 2010 press release also stated that "the Commissioner is prepared to re–examine Interac's request in the future if there is new information or material changes in the marketplace, or if Interac advances an alternative proposal, all provided that any changes would preserve the effectiveness of the key elements of the current Consent Order". On September 12, 2013, the Canadian Competition Tribunal announced that it had consented to amend the Consent Order to allow Interac to restructure into a corporation with an independent board of directors. The new Interac corporation would be able to offer the services currently offered under a cost recovery model. Interac is progressing to become a corporation rather than a membership and this change remains subject to a membership vote expected in 2015 or 2016.

DCPayments acts as a transaction ‘acquirer’ for ATMs that DCPayments owns and for ATMs that are owned by third parties.

A transaction at an ATM in the DCPayments Network commences when a consumer holding a Card issued by a Network member decides to withdraw cash using a Debit Card or Credit Card. DCPayments has access to various Networks (including Interac, MasterCard and VISA) through agreements DCPayments has with the Networks or Network members that are authorized to enter into sponsorship arrangements for the Network. In the case of a cash withdrawal at an ATM, the cardholder inserts his or her Card into the machine, enters his or her PIN and requests a sum of money. The Acquirer (in this case DCPayments) sends this request from an ATM through to the Acquirer's connection service provider which in turn sends the request electronically through the applicable Network to the cardholder's Issuer which verifies the cardholder's PIN and determines if sufficient funds (or credit) are available to fulfill the request. The Issuer then provides an approval response back through the applicable Network to the Acquirer, and then the Acquirer electronically causes the ATM to dispense the funds accordingly. All of this occurs in a matter of seconds. At the end of each business day, through a process referred to as "settlement" the Card Issuer (i.e. associated with the card/account of the person who requested the ATM withdrawal) deposits funds which are routed to the Acquirer's settlement agent (and then on to the Acquirer to reimburse for the cash dispensed from ATMs).

The number of ATMs in Canada grew each year from 1997 (when there were 19,200 ATMs) to 2011 followed by the first decline in year-over-year ATM numbers that occurred in 2012. There were 59,772 ATMs as of the end of 2013 according to market research (Source: Retail Banking Research - Global ATM Market Forecast to 2019: Canada, published September, 2014). One of the primary benefits of an ATM Placement for a retailer is the potential increase of a retailer's merchandise sales when ATMs are located in a retailer's business and the retailer's share of the Surcharge Fee. In many cases, ATMs are destinations for customers who look specifically for ATM signage. Store operators generally report merchandise sales increases with an ATM at their location. As well, the ATM owner/operator can earn revenue from each transaction made at the ATM on the owner's/operator's premises. Banks have typically only pursued full turnkey ATM Placements at large chain accounts or at bank branches. The chart below depicts the number of ATMs in Canada according to Interac:



(Source: Retail Banking Research - Global ATM Market Forecast to 2019: Canada, published September, 2014)

To DCPayments' knowledge, since 2000, the major Canadian chartered banks' ATM Networks have remained relatively static. In DCPayments' view, this has occurred primarily for two reasons. Many business owners have replaced financial institution-owned ATMs with non-financial institution ATMs which are more lucrative for business owners since a greater portion of the Surcharge Fee is paid to the business owner. As well, the major banks have voluntarily removed some Off-Premise ATMs (ATMs that are not located on the premises of a financial institution) due to the poor financial returns received by such banks on such ATMs, which DCPayments believes is due to such banks' higher cost structures (because major banks typically deploy higher cost ATMs and have a higher cost of maintenance). Recently the major Canadian chartered banks have begun to partner with non-financial institution ATM providers in order to increase Off-Premise ATM locations by leveraging the typically lower cost structures of non-financial institution deployers. Under these arrangements ATMs are typically deployed and managed by a non-bank ATM deployer yet bear the bank brand and provide surcharge free access for bank cardholders. DCPayments currently provides this service to the Bank of Montreal, Canadian Imperial Bank of Commerce and Canadian Western Bank.

The number of ATMs in Canada peaked in 2011. The first decline in year-over-year ATM numbers occurred in 2012. The decline in 2012 of the number of ATMs may be attributable in part to owners of marginally economic ATMs deciding to disconnect ATMs rather than replace them or upgrade them to comply with new more stringent Network requirements. The increase in 2013 of the number of ATMs may be attributable to redeployment of ATMs in locations that were previously disconnected in 2012 due to non-compliance with Network upgrade requirements. The total number of shared cash dispensing transactions processed through Interac has declined each year since 2002. The start of that decline coincided with the banks' decisions to commence surcharging competitor's customers at their ATMs.

Commencing in 2002, the major banks started to charge Surcharge Fees to other banks' customers at their ATMs. In DCPayments' view, this has eliminated certain competitive advantages of the major banks, but has made consumers more loyal to their own bank in order to avoid Surcharge Fees.

The Canadian ATM industry is fragmented with various small service providers. DCPayments estimates that there are over 150 independent sales organizations in Canada which sell ATMs. However, DCPayments believes that the majority of the market share relating to branded non-financial institution ATMs is occupied by less than 10 companies. DCPayments estimates that DCPayments has the largest market share of all of the branded non-financial institution providers and banks.

Interac direct payment, or Debit, allows Canadians to use their banking Cards to effect "cashless" payments for goods and services at participating merchants. Interac Debit began as a pilot project in 1990 and rolled out across Canada in 1994. According to Interac, the number of Debit Terminals in Canada has grown every year since Debit was deployed nationally in 1994. In 2000, Debit surpassed cash for the first time as Canadians' preferred way to pay for purchases. This trend has continued with the result that Canadians are among the highest users of Debit Cards worldwide.

DCPayments entered the Debit Terminal business in January of 2002, extending the business model DCPayments developed for the ATM business to the Debit Terminal business. Non-financial institution Debit Terminals may charge a Surcharge Fee to customers who pay with their Debit Cards. Surcharging transactions at Debit Terminals enables the retailers to earn revenue on their terminals, offsetting the terminal and transaction processing fees charged to retailers on each transaction. In addition, retailers are able to purchase non-financial institution Debit Terminals rather than paying a continuous rental fee.

EMV Security upgrade deadlines mandated by Interac and MasterCard for conversion of Debit Terminals in Canada are as follows: (a) 60% of Debit Terminals must have been upgraded with an EMV certified chip pin device by December 31, 2012; and (b) 100% of Debit Terminals must be upgraded with an EMV certified chip pin device by December 31, 2015. As of the date hereof, over 90% of DCPayments' Canadian Debit Terminal fleet was EMV capable. The remainder of the fleet is scheduled for normal end-of-life replacement within the EMV rollout timetable.

Current Developments with Network Competition In Canada

Historically, Interac had enjoyed a near monopoly status in Canada to process PIN secured Debit Card transactions (as compared to the signature secured Credit Card transaction processing that several Credit Card Networks compete for). Merchants accepting payment by Interac direct Debit Card have historically enjoyed a very low cost fee structure (typically a few cents per transaction regardless of the size of the payment) and most bank customers have account fee arrangements with their financial institution that allows for a significant number of Debit Card transactions per month to be included in their monthly account fee. By comparison, a Credit Card Acquirer's typical business model involves charging a share referred to as a Merchant Discount Rate (typically a percentage of 2-5% plus a flat per transaction fee in some circumstances) of the value of all transactions which a merchant agrees to accept payment through a Credit Card. The financial institution which issued the Credit Card then receives an Interchange Fee from the Credit Card Acquirer.

The Canadian affiliates of the MasterCard and VISA Networks announced in early 2009 their intention to establish Canadian Networks that would allow for the issuance of PIN secured Credit Cards in Canada (i.e. that would be functionally the same as the Debit Cards historically used through Interac) and both Networks launched PIN secured products in 2010. MasterCard and VISA are profit orientated businesses. Credit Card Networks like MasterCard and VISA compete with each other to try to get financial institutions to connect their issued card base to the Credit Card Networks. Financial institutions compete for customers who open accounts with the financial institution and earn revenue from customers by charging interest for borrowed funds and charging various kinds of account and transaction fees. One of the ways financial institutions compete for customers is by issuing Debit Cards and/or Credit Cards to their customers that can be used on a Network such as Interac, MasterCard or VISA. Customers will decide to use a particular Card based on a number of factors such as whether the Card is associated with a Network accepted by the merchant the customer purchases goods and services from, the fees the customer will pay to use the Card, and any benefits the customer receives from use of the Card (i.e. air miles, cash back, etc.). Concerns have been expressed by retail merchants that the new PIN secured Credit Cards offered by MasterCard and VISA will be favoured by financial institutions over Interac (because financial institutions can earn more revenue through the higher pricing models typically associated with Credit Cards). The Canadian federal government (Finance Minister's office) announced in 2010 that they would not be taking steps to block MasterCard and VISA from offering PIN based Card products in competition with Interac. This in turn led to an announcement by Interac of Interac's intention to convert from a non-profit association structure into a for profit corporation structure with Interac's current members being converted into shareholders. The theory behind this switch by Interac was that Interac would need to have the flexibility to set fees at above cost recovery (i.e. abandoning the old non-profit price model) so that Interac could compete to retain financial institutions as Card Issuer customers for PIN secured Cards. On February 12, 2010, the Commissioner of Competition announced that the Competition Bureau would not support the application by Interac to remove the restriction against "for profit" activities. However, the February 12, 2010 press release also stated that "the Commissioner is prepared to re–examine Interac's request in the future if there is new information or material changes in the marketplace, or if Interac advances an alternative proposal, all provided that any changes would preserve the effectiveness of the key elements of the current Consent Order". Interac has continued to add other services and products such as China Union Pay acceptance. Furthermore, in April 2010 the Canadian Department of Finance issued a code of conduct for the Credit Card and Debit Card industry in Canada, under which it is regulated that Debit Card and Credit Card functions shall not co-reside on the same payment Card. This has limited the ability of Networks, such as MasterCard and VISA, in their ability to gain market share by offering a single payment Card with both debit and credit functionality. Although Credit Card Networks in Canada are not currently permitted to issue Cards that have dual Debit Card and Credit Card functions, it is permissible for Credit Card Networks to issue Debit Cards branded with the Credit Card Network's brand. In June 2012, VISA announced that it was launching a VISA branded Debit Card that would be issued through Toronto-Dominion Bank. VISA branded Debit Cards are currently issued through Canadian Imperial Bank of Commerce, Royal Bank of Canada, Bank of Nova Scotia and Toronto-Dominion Bank. In November 2014, MasterCard announced that it planned to launch a MasterCard branded Debit Card in Canada in 2015.

As indicated above, one of the applications made by Interac is to try to lift the controls the Competition Act authorities have over Interac fee structures for ATM and Debit Terminal transactions. If Interac is successful in these efforts (which could result in increases in the Interac fees) there is a strong possibility that Interchange Fees (revenue to DCPayments in the ATM business) will not increase enough to keep up with the increased costs to DCPayments arising from the increase in fees charged by Interac. This could result in a reduction in the per transaction profitability of ATM transactions.

On December 15, 2010, the Commissioner of Competition announced that the Competition Bureau would be filing an application with the Competition Tribunal, to strike down restrictive and anti-competitive rules that VISA and MasterCard impose on merchants who accept their Credit Cards. Among the anti-competitive rules that the Commissioner of Competition identified were the "No Discrimination Rule" (the rule that prevents merchants from treating a customer who presents a certain Credit Card less favourably than a customer who presents a different Credit Card), the "Honour All Cards Rule" (the rule that requires merchants to accept all Credit Cards from a specific Network, including premium reward Cards with higher Card acceptance fees), and the "No Surcharge Rule" (the rule that prevents merchants from charging a fee on transactions made with Visa or MasterCard Credit Cards and conversely prevents merchants from offering a discount when a customer uses a payment method such as cash or Interac payment that costs the Merchant less). By way of example in the December 15, 2010 release, the Commissioner of Competition indicated that the Network fees payable by a merchant for a $400 purchase of snow tires would be $0.12 if the customer used Interac but would be $12.00 if the customer used a Credit Card with a 3% fee. The hearing of this application occurred from May 2012 to June 2012 and the last of the closing arguments were filed in July 2012. The Competition Tribunal issued its decision on the matter, dismissing the application of the Commissioner of Competition. Information about this case is available on the Competition Tribunal's web site at www.ct-tc.gc.ca (*The Commissioner of Competition v. Visa Canada Corporation and MasterCard International Incorporated et al).*

The ATM Industry – Australia

The ATM market in Australia was established in the early 1970s. The Australian ATM System operates through a network of bilateral interchanges between the major financial institutions and industry aggregators for smaller institutions providing ubiquitous access for all cardholders at all ATMs, rather than operating under a scheme arrangement. The ATM clearing system rules are managed through the industry self-regulatory payments body, Australian Payments Clearing Association ("**APCA**"). Recent growth in non-bank ATM providers was spurred in 2009 by the introduction of direct charging (surcharging) with support of the Reserve Bank of Australia, which removed disloyalty fees charged by banks, removed Interchange Fees in most circumstances and introduced direct charging by the ATM operator. As a result, previously uneconomic locations became economical, leading to a number of new market entrants. In the face of increased competition, the inability of smaller players to maintain margins has led to some industry consolidation. As at December 31, 2014, 31,464 ATMs were deployed in Australia by both banks and independent ATM providers (Source: APCA website). EMV Security upgrade deadlines mandated by MasterCard and Visa for conversion of ATMs and Debit Terminals in Australia are as follows: (a) 100% of ATMs must be upgraded by December 31, 2015; and (b) 100% of Debit Terminals must have been upgraded with an EMV certified chip PIN device by April 30, 2013. As of the date hereof, (a) over 50% of DCPayments' Australia ATM fleet was EMV capable, with these terminals requiring only a minor software upgrade to achieve full EMV compliance, and (b) over 44% of DCPayments' Australia ATM fleet requires a minor hardware and software upgrade to achieve full EMV compliance. The remainder of the fleet is scheduled for normal end-of-life replacement within the EMV rollout timetable.

The ATM Industry – United Kingdom

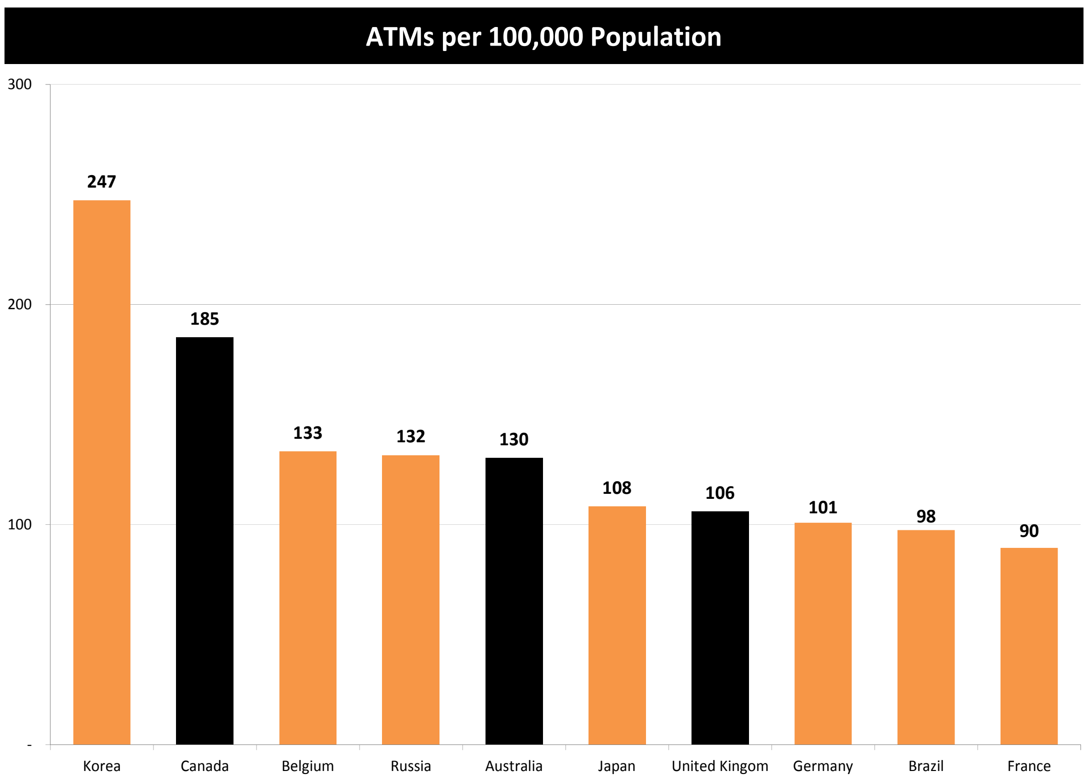
Non-bank providers originally deployed ATMs under bank sponsorship arrangements in the late 1990's. In July 2000, LINK allowed direct connection of IADs. At the same time, LINK enabled surcharging by the IAD on all LINK Debit Cards and also agreed to an Interchange Fee to be paid on all non-surcharged transactions. These changes enabled the significant growth in IADs that has occurred over the last 12 years. As at December 31, 2014, there were 68,906 ATMs in the United Kingdom of which approximately 37,200 were operated by IADs. This IAD total represents an 8% increase from December 31, 2013 (Source: LINK website).

United Kingdom ATMs are at a higher mandated compliance level than is currently required in much of the rest of the world. All ATMs have been both EMV and Triple DES Encryption compliant since 2006. LINK has mandated a further requirement that ATMs should connect to LINK using remote key transfer rather than the manual input of security master keys at each ATM. Approximately 43% of DCPayments' United Kingdom ATMs operate under a LINK dispensation that ends in year 2023, 53% are fully compliant and the remainder need to be upgraded as they become due for refurbishment during the period up to December 31, 2016.

ATMs deployed in the United Kingdom can be set up as either (a) "free to use" (in which case there is no Surcharge Fee and only Interchange Fees are earned by the ATM deployer) or (b) "pay to use" (in which case there is a Surcharge Fee but no Interchange Fee earned by the ATM deployer). Typically, high transaction volume locations are set up as "free to use" and low transaction volume locations are set up as "pay to use".

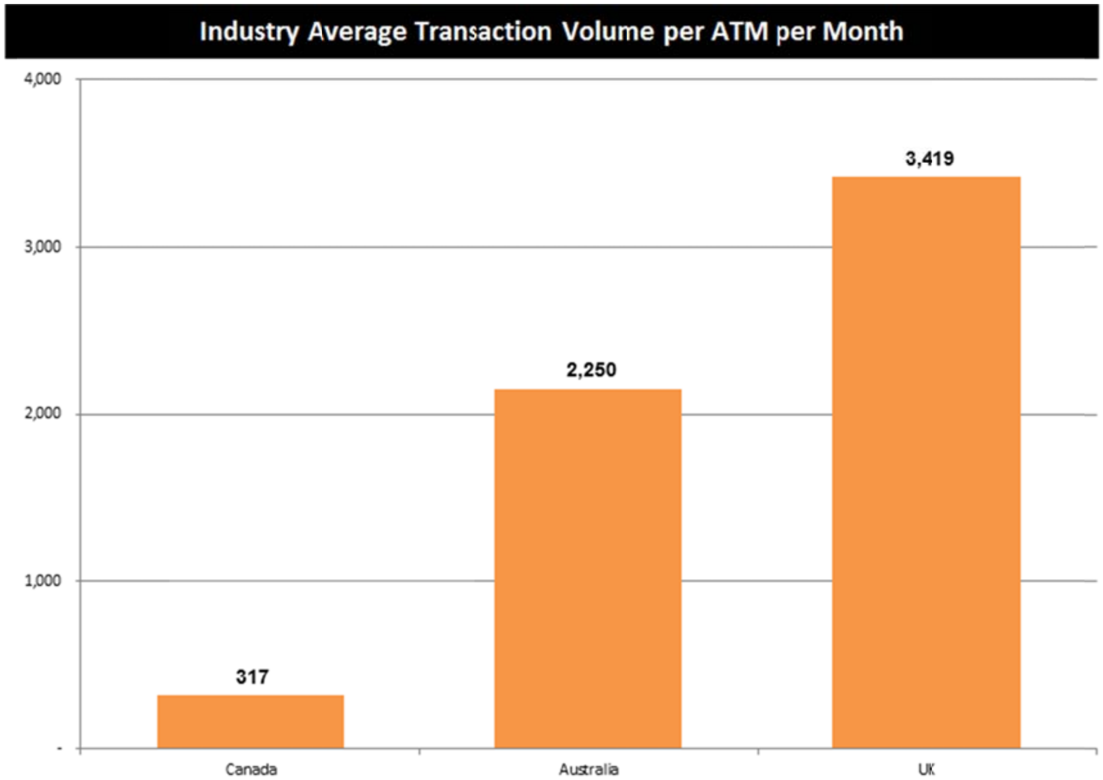
Comparison of ATM Market Fundamentals by Country

According to the most recent figures provided by BIS, Canada had the second most ATMs per 100,000 inhabitants. According to BIS statistics, Canada had 185 ATMs per 100,000 inhabitants (2013 statistics) the United States had 139 ATMs per 100,000 inhabitants (2009 statistics), Australia had 130 ATMs per 100,000 inhabitants (2013 statistics) and the United Kingdom had 106 ATMs per 100,000 inhabitants (2013 statistics). The most recent statistics from BIS are as of 2013 for Canada, United Kingdom and Australia and 2009 for USA.



(Source: BIS)

ATMs in Australia and the United Kingdom experience significantly higher transaction volumes than in Canada achieving an average monthly transaction volume per ATM in 2014 of 3,424 in the United Kingdom and 2,145 in Australia versus 317 in Canada. (Sources: Canada - Interac, 2012; UK - LINK, 2014; Australia - Retail Banking Research, 2013).



(Sources: Canada - Interac, 2012; UK - LINK, 2014; Australia - Retail Banking Research, 2013)

THE DEBIT TERMINAL INDUSTRY

Overview

The technical operation, networks/entities involved, sequence of electronic transactions, transaction settlement systems, and the rules governing Debit Terminals are very similar to those described above for ATMs (see "*The ATM Industry*") except that instead of receiving dispensing cash the Cardholder receives goods or services offered by the business that operates the Debit Terminal.

Canadian Debit Terminal Industry

Interac direct payment, or debit, allows individuals to use their banking Cards to effect "cashless" payments for goods and services at participating merchants. Interac debit began in Canada as a pilot project in 1990 and rolled out across Canada in 1994. According to Interac, the number of Debit Terminals in Canada has grown every year since debit was deployed nationally in 1994. In 2000, debit surpassed cash for the first time as Canadians' preferred way to pay for purchases. This trend has continued resulting in Canadians being among the highest users of Debit Cards worldwide.

Non-financial institution Debit Terminals may charge a Surcharge Fee to customers who pay with their Debit Cards. Surcharging transactions at Debit Terminals enables the retailers to earn revenue on their terminals, offsetting the terminal and transaction processing fees paid by retailers. In addition, retailers are able to purchase non-financial institution Debit Terminals rather than paying a continuous rental fee.

THE PREPAID PRODUCT & PREPAID CARD INDUSTRY

The Prepaid Card product in Canada emerged in 2002 and more recently in Australia and the United Kingdom. Users of Prepaid Products include tax refund discounters, cheque cashing businesses, store front loan businesses (i.e. pay day loans or car title loans), employers distributing payroll in remote locations, federal and provincial governments, and any other business that would otherwise pay cash or issue gift cards to their customers in a store front environment. A Prepaid Card is a Debit Card/Credit Card with a pre-set advance limit which eliminates the need for a consumer to carry cash. Prepaid Cards are advantageous to merchants as they can be used to build their brand and grow revenue. Prepaid Cards provide a method by which merchants that historically would have dispensed cash now dispense a Prepaid Card instead, which benefits the merchant by reducing operating costs, improving service delivery and improving employee security.

DCPAYMENTS' CUFI BUSINESS

The DCPayments CUFI Business provides debit and ATM transaction processing services and other managed services to credit unions and financial institutions across Canada. The end-to-end payment solutions provided by DCPayments to the credit unions and financial institutions enables those credit unions and financial institutions to outsource their Debit and ATM Card processing, allowing them to compete with services similar to those offered by larger banks. The CUFI Business services are broadly comprised of transaction switching services, Card services, fraud services, ATM managed services, and project-based consulting services. The CUFI Business adds an additional approximate 1,100 ATMs, managed under CUFI Business contracts, to the DCPayments Network in Canada.

Switching services includes a fully managed switching services solution with comprehensive reporting packages, daily settlement processing, and cardholder inquiry and investigation services, and network/interchange connectivity (Interac, Interac cross border debit, Plus, Cirrus, MasterCard, Pulse, CUP, THE EXCHANGE® Network, ACCEL, COOP Network, and CUG/Acculink). These services are provided under long term connection services agreements. DCPayments is the Central Switch Provider for THE EXCHANGE® Network, processing transactions nationally for both THE EXCHANGE ABM and ACCEL POS Networks, creating a national Surcharge Free Network for credit unions in Canada enabling them to compete with larger banks.

Card services include a Card management system, which manages Card authorization, risk profiles and EMV Card provisioning service, including Card production management, stock level management and distribution in partnership with leading Card manufacturers. These services are typically provided as an additional service to switching services clients.

Fraud services provided by DCPayments include a professional fraud management practice utilizing innovative issuer fraud management software, fraud alert workbench and third party fraud system interfaces to detect fraud being perpetrated on the payment Network against DCPayments Issuer and Acquirer clients. These services are typically provided as an additional service to switching services clients.

ATM managed services include providing a full ATM outsourcing for the CUFI Business customers providing turnkey ATM fleet management through a single contract/single vendor solution. These services may include: ATM provisioning, cash forecasting and management, incident management, helpdesk support, vendor service management and consumables management. DCPayments also provide ATM functionality and transaction sets including balance inquiry, withdrawal, transfer, bill payment and deposit, multiple account processing, PIN change and foreign currency dispense.

Project based consulting services includes customized ATM development solutions, payments solutions design, custom solution development capabilities, payments consulting including market assessments and feasibility studies.

CUFI Business Customers

DCPayments' CUFI Business customers include Canadian credit unions and smaller financial institutions. Through the Threshold Acquisition, DCPayments maintained and established relationships with customers including Central 1 Credit Union, ATB Financial (Alberta Treasury Branches), Meridian Credit Union, Alterna Savings Credit Union and Tangerine Bank. DCPayments maintains long-term contracts with each of its CUFI Business customers.

CUFI Business Competition

DCPayments has one major competitor across the range of services provided in the CUFI Business, Everlink Payment Services Inc. ("**Everlink**"). The principal methods of competition between DCPayments and Everlink are price, system performance and reliability, breadth of features and functionality, and disaster recovery capabilities. DCPayments also competes with service delivery partners who may service customers directly for products and services – equipment manufacturers for product and second line maintenance, armoured car carriers, Card manufacturers, and payment industry consultants. DCPayments competes with financial institutions and acquirers who choose to process payments in house through proprietary systems and with software vendors which provide their products to institutions which process in house. In addition, payments Networks such as Visa and MasterCard are increasingly offering products and services that compete with DCPayments products and services.

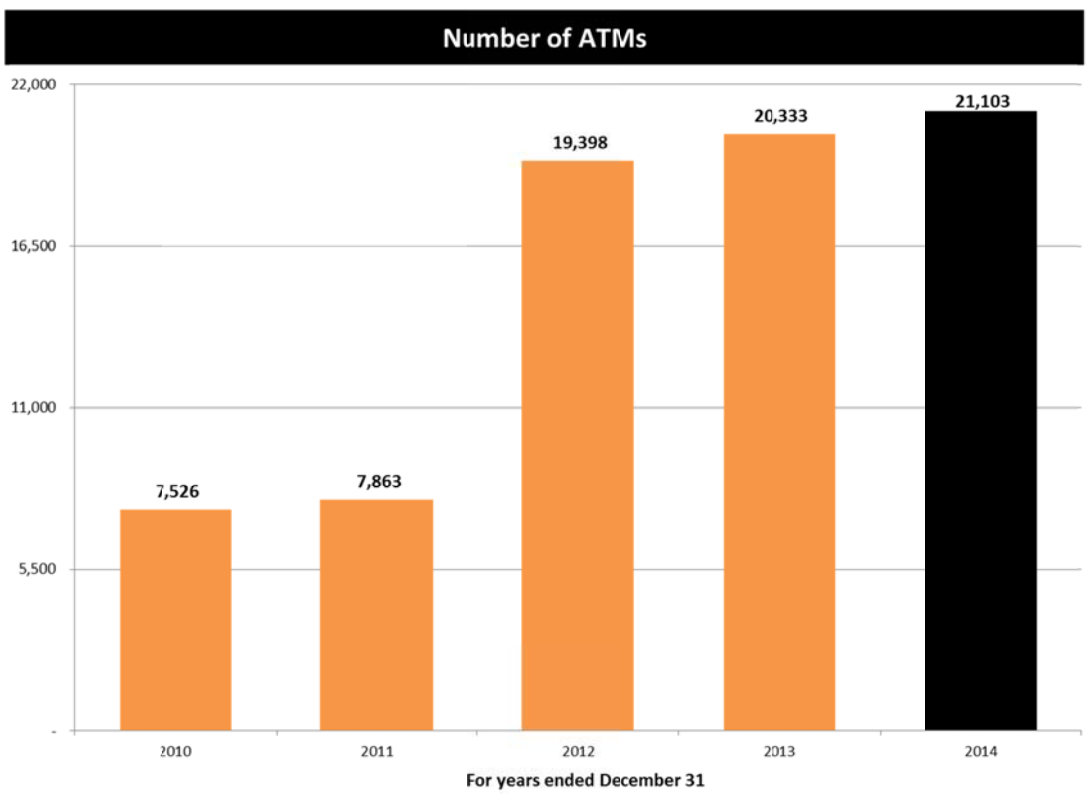
DCPAYMENTS' WORLDWIDE ATM TOTALS

DCPayments' Total ATMs Worldwide & Total Worldwide ATM Transactions

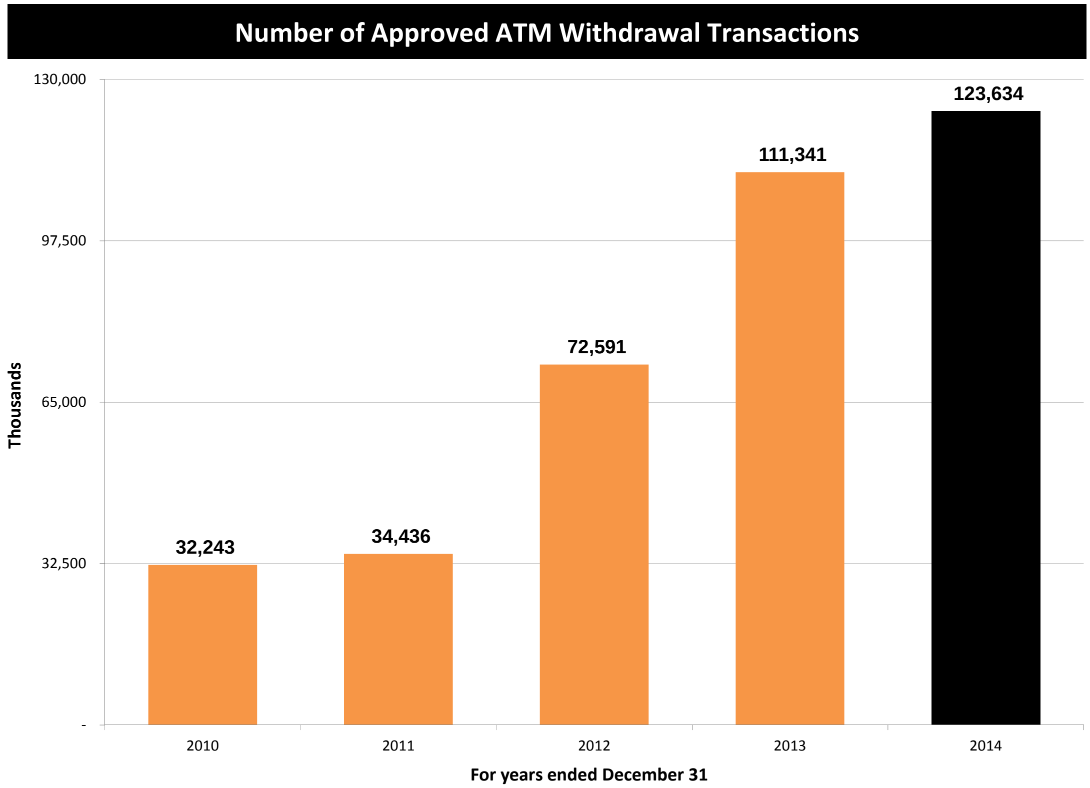
The following charts show: (a) the number of ATMs deployed by DCPayments as of the dates indicated; and (b) the number of revenue earning completed ATM withdrawals carried out through ATMs deployed by DCPayments as of the dates indicated. This information only includes ATMs actually deployed by entities legally controlled by DCPayments as of the date indicated and does not include historical information concerning ATMs deployed by corporations acquired by DCPayments for time periods before the corporation was acquired (i.e. the historical numbers of ATMs deployed by the corporations that carry on the Australasia and European businesses are not included in the figures for 2010 or 2011). In some jurisdictions, revenue is earned on other types of ATM transactions (i.e. balance inquiries) - only ATM withdrawal transactions are included in the chart below.

One measure of the success of the contract renewal process is the average number of months remaining in the committed term under DCPayments' contracts. The following table provides a summary of the average months remaining in the term of all of DCPayments' active ATM contracts by jurisdiction as of December 31, 2014:

	ATM Contracts Average Number of Months Remaining in Term of Contract
North America	36
Australasia	32
United Kingdom	28



Notes: (1) The number of ATMs is for sites that recorded a transaction in the last calendar month of the period indicated.
(2) 2013 number of ATMs excludes 489 ATMs which do not process transactions on the DCPayments Switch but for which DCPayments managed the ATMs.



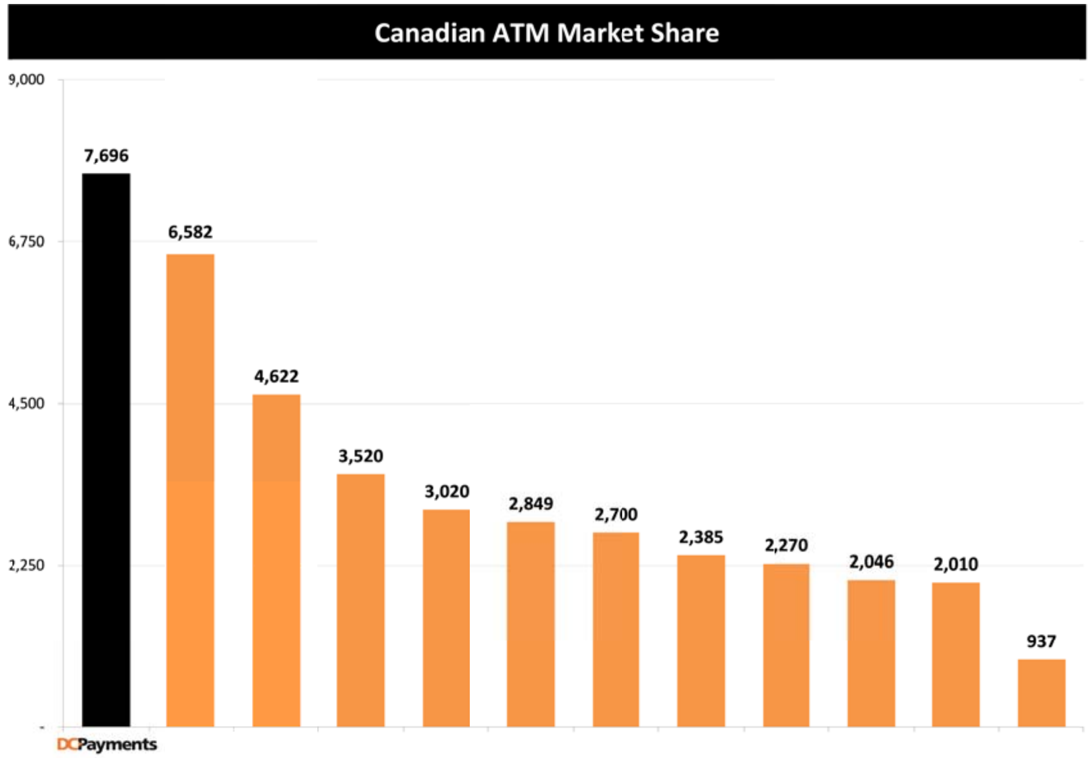
DCPAYMENTS' NORTH AMERICAN BUSINESSES

DCPayments' North American ATM and Debit Terminal Businesses

DCPayments is an integrated ATM and Debit Terminal provider, and offers a complete suite of ATM and Debit Terminal management services from ATM and Debit Terminal deployment and maintenance to transaction processing, reporting and settlement.

DCPayments' Canadian ATM Market Share

DCPayments had 8,002 active ATMs in DCPayments' North American Network as at December 31, 2014. At present, DCPayments estimates that DCPayments has the largest branded Network of ATMs operating in Canada. The following diagram summarizes the size of the competitors (by number of ATMs deployed) in the Canadian ATM market (top 12 with 1,000 or more ATMs deployed).



(Source: Retail Banking Research – Global ATM Market Forecast to 2019: Canada, published September, 2014)

Notes: (1) This diagram includes only Canadian ATMs, DCPayments' ATMs located in other North America markets (i.e. USA and Mexico) are not included.

DCPayments' North American ATM Business

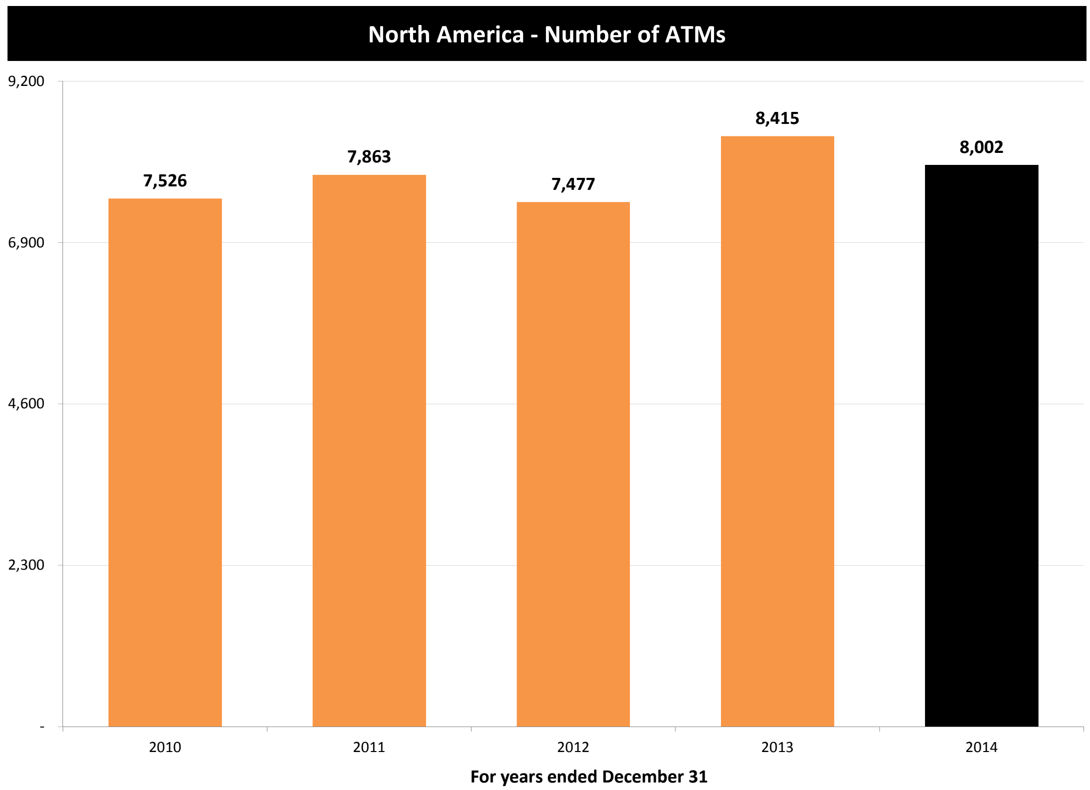
DCPayments' ATM business has three traditional types of arrangements: (i) "Processing Contracts", which typically refers to an ATM which is owned by a retailer or a third party and cash-loaded by the retailer or a third party, where DCPayments processes the ATM transactions and the retailer or the third party pays for the transaction processing, maintenance, and service support; (ii) "Partial Placement", which refers to an ATM owned and maintained by DCPayments but which is cash-loaded by the retailer or a third party; and (iii) "Full Placement", which refers to an ATM owned and maintained by DCPayments and cash-loaded by DCPayments. DCPayments also enters into hybrid contracts which may include different mixes of services as compared to the traditional 3 types of contracts. In each of these instances, DCPayments typically enters into a 6 year (5 years under older versions) agreement with the retailer or ATM owner. The contracts generally include a renewal provision that allows the term to be extended for a further period after the end of the initial contract term and generally include a right of first refusal for DCPayments to match a competitor's offer on renewal. In the ATM business, DCPayments earns revenue from the following sources: (i) transaction fees which include Interchange Fees and Surcharge Fee; (ii) processing and maintenance fees; (iii) margin on exchange rates, and (iv) margin on the sale of ATMs and ATM parts. A significant aspect in DCPayments' ability to maintain (and grow) revenue is DCPayments' ability to arrange for renewal of existing contracts before or when they expire or reach the end of their existing term.

The following table provides a breakdown of the active ATMs in DCPayments' Network by agreement type (classified into the traditional contract type that they most closely match) as at December 31, 2014:

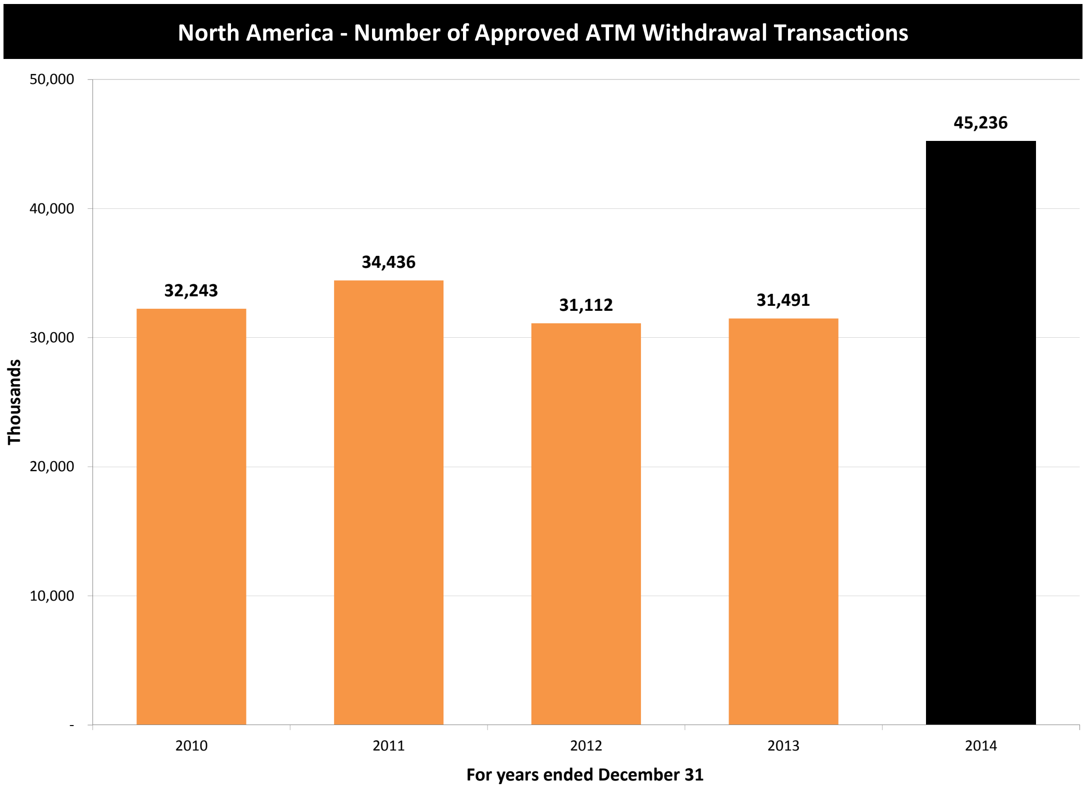
Agreement Types – Number of Active ATMs
(Canada, USA & Mexico)

	Contract Type
Processing Contracts	3,358
Partial Placement Contracts	1,767
Full Placement Contracts	2,877
Total	8,002

The following charts set out the number of active ATMs in North America connected through DCPayments up to December 31, 2014, as well as the corresponding number of annual approved in North America ATM transactions.



Notes: (1) 2013 number of ATMs excludes 489 ATMs which DCPayments provides managed services but that do not process transactions on the DCPayments Switch.



The 2014 decline (as compared to 2013) in the number of DCPayments ATMs deployed in North America can be attributed primarily to the removal of ATMs from CashStore locations no longer operating as they have both closed a number of locations in Canada and CashStore entered into protection under CCAA proceedings in April of 2014. DCPayments has also had some removals during the year resulting from net contract expiries and site profitability. The overall impact of the fleet turnover was higher volumes per ATM and significantly improved margins per ATM compared to 2013.

The 2012 decline (as compared to 2011) in the number of DCPayments ATMs deployed in North America (and a corresponding portion of the decline in total North America ATM withdrawal transactions) can be attributed primarily to (a) the expiry of a contract with one customer in the first quarter of 2012 that impacted 175 ATMs; (b) one significant customer with many locations closing low volume locations; and (c) one retail customer with 93 DCPayments ATMs closing its business which resulted in closing all of its locations during 2012 (many of those locations were reopened in 2013 by a new retailer that signed an agreement with DCPayments to deploy DCPayments ATMs in its locations as they open).

DCPayments' Canadian Debit Terminal Business

DCPayments is one of the leading non-financial institution Debit Terminal providers in Canada. In the Debit Terminal business, DCPayments has two different product/service offerings: (i) "Debit Processing", which refers to a Debit Terminal which is owned by a retailer or a third party, where DCPayments processes the Debit Terminal debit transactions and the retailer or third party pays for the transaction processing, maintenance, service and support; and (ii) "Debit Placement", which refers to a Debit Terminal which is owned by DCPayments and is placed into a retailer's premises. In both offerings, DCPayments may also add the sale of prepaid cellular and prepaid long distance from Debit Terminals. DCPayments now typically enters into an exclusive 6 year (5 years under older versions) transaction processing, revenue sharing and servicing agreement with the retailer. The contracts generally include a renewal provision that allows the term to be extended for a further period after the end of the initial contract term and generally include a right of first refusal for DCPayments to match a competitor's offer on renewal. In the Debit Terminal business, DCPayments earns revenue from the following sources: (i) margin on the sale of Debit Terminals; (ii) transaction fees which include debit transaction fees and Surcharge Fee; (iii) maintenance and software licensing fees; and (iv) Credit Card revenue. As of the date hereof, all of DCPayments' Debit Terminal business is located in Canada only.

DCPayments Canadian Transaction Processing Switch

DCPayments is a member of Interac as an indirect Acquirer and operates the DCPayments Switch. As of the date hereof, DCPayments was accessing the Canadian Interac Network through Moneris Solutions Corp. (which is a joint holding of Bank of Montreal and Royal Bank of Canada). DCPayments also processes international ATM and Debit Terminal transactions via the Plus, Cirrus and Maestro Networks through a contract with Moneris Solutions Corp. and Royal Bank of Canada. DCPayments processes MasterCard and VISA transactions for DCPayments' Canadian ATMs through a sponsorship agreement with DC Bank. DCPayments also is an independent sales organization for Elavon Canada Company and Moneris Solutions Corp. through which DCPayments routes (and earns revenue from) MasterCard and VISA transactions. In Mexico DCPayments' ATM transactions are processed through Multiva Bank.

DCPayments' current transaction processing capabilities are through the use of software included in the DCPayments Switch. The DCPayments Switch provides complete processing capabilities to DCPayments' entire Canadian Network of ATMs and Debit Terminals, as well as the CUFI Business. The DCPayments Switch processes all types of acquired transactions and, in order to obtain authorization to proceed with such transactions, routes them to the respective Issuers through Interac or any of the Networks in which DCPayments is either a member or to which DCPayments has access.

Some of the software providing functionality to the DCPayments Switch is used by DCPayments under a license. Many of these components are smaller pieces of software designed to allow the DCPayments Switch to communicate with various third party models of ATMs or Debit Terminals. The manufacturers of such models often make the necessary software available under a license in order to encourage DCPayments to allow such models to be connected to DCPayments' Switch System. The software providing functionality to the DCPayments Switch to acquire and authorize transactions for the CUFI Business is used by DCPayments under a license. Most of the other software has been developed internally by DCPayments and is the property of DCPayments. New code is developed and owned by DCPayments.

DCPayments' CUFI Business

The CUFI Business provides switch, Card and ATM transaction processing services and other managed services to credit unions and financial institutions across Canada. The end-to-end payment solutions provided by DCPayments to the credit unions and financial institutions enables those credit unions and financial institutions to outsource their Debit and ATM Card processing and compete with services similar to those offered by larger banks. The CUFI Business services are broadly comprised of transaction switching services, Card provisioning, payments processing, reporting and settlement, fraud management, ATM cash management, ATM fleet management and project-based consulting services. The CUFI Business added an additional approximate 1,100 ATMs, managed under CUFI Business contracts, to the DCPayments Network in Canada.

North American Technology Solutions for ATM and Debit Terminal Owners

DCPayments provides a number of solutions to ATM and Debit Terminal owners, including web reporting and immediate error notification. DCPayments' web solution is a windows-based set of tools for "anywhere" management of ATMs and Debit Terminals. An ATM or Debit Terminal owner or operator can use the internet to manage ATMs and Debit Terminals and to generate advanced reporting.

Through the use of DCPayments' error notification software, DCPayments is also able to provide real time information on the status of each ATM and Debit Terminal. Depending on the ATM type, some terminals are capable of paging the operator of the terminal and providing the operator with information on the error, effectively reducing ATM downtime. For example, DCPayments can provide ATM error notification, ATM cassette status, ATM receipt paper status and dispenser errors. DCPayments believes that these technological capabilities provide DCPayments with a competitive advantage when pursuing new customers.

In the Debit Terminal business, DCPayments has developed DCPayments' own debit and credit terminal software application. This enables DCPayments to make changes to the software for specific customer needs without having to rely on a third party developer to complete the changes.

North American Product Suppliers (ATM & Debit Terminals)

The brands/models distributed by DCPayments changes from time to time and the choice is largely determined by customer demand (which in term is influenced by unit pricing, functional capability, and perceived reliability). During the period commencing January 1, 2014, DCPayments has been a significant reseller of ATMs manufactured/supplied by Triton Systems of Delaware LLC, Nautilus Hyosung Inc., GRG International, NCR Canada Ltd., IBM Canada Ltd. and Wincor-Nixdorf Canada Inc., and ATM parts by ATM Gurus (a subsidiary of Triton Systems of Delaware LLC). During the period commencing January 1, 2014, DCPayments has been a significant reseller of Debit Terminals equipment manufactured/supplied by TechTrex Inc. DCPayments is dependent on manufacturers for DCPayments' ATM products, but DCPayments has reduced DCPayments' supply exposure by having access to a number of different suppliers/models at any one time.

DCPayments maintains an inventory of ATMs and Debit Terminals in order to provide a fast turnaround for installations. In addition, DCPayments maintains an extensive parts inventory for all of the various types of ATMs and Debit Terminals that DCPayments deploys in order to provide the appropriate service levels to DCPayments' customers. DCPayments' employees and independent contractors throughout Canada conduct ATM and Debit Terminal service and maintenance.

North American Customer Types (ATM & Debit Terminals)

DCPayments' customers include (for example) convenience food stores, bars, pubs, nightclubs, sports facilities, malls, recreation centres, hotels, restaurants, retail stores, gasoline retailers, loan/cheque cashing locations, grocery stores, pharmacies, bingo halls, casinos, malls, airports, and bowling centers. During 2014, DCPayments also maintained or established a number of chain accounts including with Avondales Stores Ltd., Boston Pizza, British Columbia Ferry Services Inc., Canadian Imperial Bank of Commerce, Canex (Canadian Forces Exchange System, a division of the Canadian Forces Personnel and Family Support Services), Greater Vancouver Transportation Authority, International News, Mac's Convenience Stores Inc. (a subsidiary of Couche-Tard Inc.), Overwaitea Food Group Limited Partnership, Short Stop Food Stores (Parkland Industries), Silver Birch Hotels & Resorts Limited Partnership (hotels), Sobeys Inc., Husky Oil Marketing Company, a division of Husky Oil Limited, Thomas Cook Canada Inc., Westmont Hospitality Group, Shell Canada Products, Canadian National Institute for the Blind, Travelex Currency Services Inc., Exchange Corporation Canada Inc., Calgary Co-Operative Association Limited, Costco Wholesale Canada Ltd., Woodbine Entertainment Group, Ontario Lottery and Gaming Corporation, Canadian Tire Petroleum, a division of Canadian Tire Corporation Limited, Mr. Gas Limited, Boardwalk Gaming and Entertainment Inc., MacEwen Petroleum Inc., Bank of Montreal, Joey Tomatoes Canada Inc., Landmark Cinemas Canada GP Ltd., Manitoba Lotteries Corporation, Saskatchewan Indian Gaming Authority Inc. and Big Bee Convenience Stores.

North American Seasonality (ATM & Debit Terminals)

ATM and Debit Terminal transaction volumes are subject to seasonality. Based upon historical transaction volumes from January 2010 through to December 2014, the highest transaction activity in Canada typically occurs in the 2nd and 3rd quarters of the year. The 1st and 4th quarters are traditionally DCPayments' weakest quarters in terms of number of processed transactions and gross profitability in Canada. In Mexico, seasonality in the ATM business is the opposite of what is seen from DCPayments' Canadian operations.

North American Sales, Distribution and Marketing (ATM & Debit Terminals)

DCPayments markets DCPayments' ATMs and Debit Terminals through third party lead generation, marketing to existing customers/locations where DCPayments ATMs or Debit Terminals are already in operation, in-house sales personnel, commission sales agents, direct mail, and distributors throughout Canada. In addition, DCPayments attends numerous trade shows each year and advertises through print media in a variety of trade magazines. All of DCPayments' distributors and commission sales agents are under contract. The contracts typically contain exclusivity and non-competition covenants.

North American Specialized Skill & Knowledge (ATM & Debit Terminals)

DCPayments has developed an extensive technological transaction processing infrastructure which requires skilled information technology staff to operate and develop the platform. In addition, DCPayments has a service infrastructure and call centre which requires skilled ATM technicians and call centre management to operate.

North American Competition (ATM & Debit Terminals)

In the Mexican market, DCPayments is a very small competitor (although in the narrow market of Mexico tourist destination cities, DCPayments' market share is more significant). The Canadian ATM and Debit Terminal industry is fragmented and is comprised of a full spectrum of providers from large banks to single proprietorship owners of ATMs and Debit Terminals. DCPayments' non-bank competitors are primarily regional players. Some of the major non-bank competitors in Canada are

Access Cash General Partnership (also dba Ezee ATM), Stanley Canada Corporation (dba Frisco Bay ATM), Newer Technologies Ltd., Cardtronics Canada Ltd. (acquirer of Can-Do-Cash Ltd.), and On-Line Service Corp. which have installations across Canada and are not limited to particular regions. DCPayments' Canadian bank competitors include Royal Bank of Canada, Canadian Imperial Bank of Commerce, TD Canada Trust, Bank of Nova Scotia, and Bank of Montreal. Each of these banks commenced surcharging other banks' customers at their ATMs in approximately 2002. The banks have focused on full placements at large chain accounts and branch locations. DC Bank has provided DCPayments with the following 2014 Interac information concerning the number of Canadian ATMs operated by the banks (this is Canadian only data and does not include ATMs in Mexico):

Bank	Bank Reported Number of ATMs (approximate)
Royal Bank of Canada	5,022
Canadian Imperial Bank of Commerce	3,597
TD Canada Trust	2,875
Bank of Nova Scotia	2,449
Bank of Montreal	2,240

DCPayments estimates that as of December 31, 2014 there were over 150 non-financial institution ATM providers in Canada, ranging in size from a few ATMs to in excess of 5,000 ATMs, with DCPayments being the largest ATM provider with 7,696 active ATMs in Canada as of December 31, 2014. The following information concerning the number of Canadian ATMs operated by non-financial institutions has been obtained from results published by the research firm, Retail Banking Research:

Non-Financial Institution ATM Provider	Reported Number of ATMs (approximate)
DCPayments	7,696
Access Cash General Partnership (also dba Ezee ATM)	6,582
Stanley Security Solutions Canada Corp.	2,700
Cardtronics Canada Ltd.	2,010
CashCity ATM Services Inc.	690

Notes: (1) This table includes only Canadian ATMs for 2013, DCPayments' ATMs located in other North America markets (i.e. USA and Mexico) are not included.

(2) This table reflects the actual number of ATMs for DCPayments for the year ended 2014 and market data for each competitor listed for 2013.

(Source: Retail Banking Research – Global ATM Market Forecast to 2019: Canada, published September, 2014)

DCPayments' competitors in the Debit Terminal business include (but are not limited to) CT Payment Inc., Global Payment Systems Inc., Moneris Solutions Corp., Chase PaymentTech Solutions, LLC., BCE Emergis Inc., CashCity ATM Services Inc. and Pivotal Payments Corporation. A number of ATM providers have also entered the Debit Terminal business. DCPayments estimates that as of December 31, 2014 there are over 100 independent sales organizations selling Debit Terminals in Canada.

DCPayments' North American Debit Terminals, Prepaid Product & Prepaid Card Business

Description of Canadian Business Segment (Prepaid Products & Prepaid Cards)

DCPayments earns revenue from: (1) the distribution of Prepaid Cards, (2) transaction fees associated with Prepaid Card activations, (3) transaction fees associated with the use of Prepaid Cards for transactions, (4) monthly fees, (5) monthly fees paid by DC Bank, and (6) pre-authorized debit whereby fees are earned for facilitating payments between merchants and their customers. DCPayments' current platform is used by a significant number of merchants in Canada as a method of providing cash access to their customers without the high cost of maintaining physical cash at their locations. In addition, DCPayments' merchants may brand the Prepaid Cards with merchant's identity which builds the merchant's brand loyalty. DCPayments typically signs exclusive 3 to 10 year agreements for the provision of a Prepaid Card Management System to a merchant. DCPayments is certified as a MasterCard transaction processing partner and offers a DCPayments branded prepaid MasterCard product which puts DCPayments in the position of being able to offer both prepaid MasterCard Credit Cards and prepaid Interac Debit Cards. The MasterCard Prepaid Cards are referred to as 'Credit Cards' because they are issued for use by a 'Credit Card' Network. However, Credit Card Prepaid Cards are pre-loaded with balances (i.e. just like the Debit Card Prepaid Cards) and no "credit" is advanced by DCPayments (or DC Bank) to the Card holder. In each case (MasterCard Credit Card and Interac Debit Card), the Card must be issued by a financial institution. DC Bank is the Card Issuer for the Interac and MasterCard Cards issued under DCPayments programs operated in Canada.

DCPayments has developed the Prepaid Card Management System. DCPayments' Prepaid Cards are distributed and activated by the contracted merchants and can be used at any ATM or Debit Terminal displaying the logos of Interac, Cirrus, Maestro (for debit based Cards) or MasterCard (for MasterCard based Cards), allowing cardholders access to cash and direct payment through approximately 879 thousand Debit Terminals within Canada (as of 2014 based on information from Interac) and approximately 1.8 million ATM terminals worldwide (as of 2014 based on information from BIS). DCPayments' Card activation system provides the contracted merchants and cardholders with a secure web based interface to interact with the Prepaid Card Management System. Merchants use this interface to assign, activate, cancel and manage Prepaid Cards. Merchants also use the system to generate a variety of reports to help them monitor, balance and reconcile their systems. The system allows merchants the flexibility to set up and manage different user accounts with different permissions for their employees. Cardholders use the system primarily to monitor their transactions but have the ability to also download activity statements.

For the last several years, the Prepaid Products business has been DCPayments' highest organic growth line of business in Canada, largely due the types of Prepaid Products that DCPayments has been able to offer through DCPayments' contractual relationship with DC Bank, as well as growth within DCPayments' existing customers' businesses. Organic growth has accounted for 100% of growth in Prepaid Products since 2002. In Canada, DCPayments offers Prepaid Card products for both the MasterCard and Visa (prepaid Credit Card products) and Interac (a Debit Card product) Networks. All Prepaid Products are referred to as such because they are branded as "prepaid" by either MasterCard, Visa or Interac. All Prepaid Products are pre-loaded with balances and no credit is advanced to the cardholder by DCPayments or any third party as part of the attributes of the Prepaid Card or associated accounts. Prior to any value being loaded on a Card, DCPayments obtains security from the merchant customer in the form of a letter of credit or cash collateral security.

Canadian Payday Loan Regulation and Class Actions (Prepaid Products & Prepaid Cards)

Some of the larger customers in the Prepaid Card business are involved in the payday loan business. There have been many class action law suits commenced against various pay day loan operators across Canada alleging that the pay day loan transactions by these businesses violate Section 347 of the *Criminal Code* (Canada) or the provincial payday loan regulations and seeking return of all such applicable interest charged. Amendments were made to the Criminal Code in May, 2007 that allow Provinces to introduce regulatory regimes to regulate payday loan operators and which will exempt the application of Section 347 in those Provinces that have established a regulatory regime. Many of these class actions have already settled. Additionally, there has been class action lawsuits commenced against pay day loan operators across Canada alleging that the pay day loan providers are not abiding by the provincial pay day loan regulations. DCPayments has been named in two of these class actions in Ontario and Manitoba. See "*Legal Proceedings and Regulatory Actions*".

Historically, the majority of the customers for DCPayments' Prepaid Cards were payday loan and cheque cashing companies, and this industry is subject to a large number of class action lawsuits which could adversely impact the volume of business that DCPayments realizes from these companies. See "*Risk Factors – Loan Companies*".

Canadian Sales, Distribution and Marketing (Prepaid Products & Prepaid Cards)

DCPayments sells DCPayments' Prepaid Card products primarily through internal sales staff. DCPayments has primarily been marketing the Prepaid Card to merchants who distribute cash or cheques to their customers. DCPayments' customers include major payday loan, cheque cashing companies, income tax refund discounters, and major retailers who conduct financial payments services as part of their operations. DCPayments also markets Prepaid Card systems to existing ATM and Debit Terminal customers.

Canadian Competition (Prepaid Products & Prepaid Cards)

Competitors in the Prepaid Card business include Canacash Financial Services Ltd. (a program manager for All Trans Credit Union), Attain Finance Canada Inc. (a program manager for All Trans Credit Union, Home Trust Company, Olympia Trust Company, Berkley Payment Solutions and ScotiaBank Solutions (a partnership between Berkley Payment Solutions Inc. and Bank of Nova Scotia), Blackhawk Network Canada Inc., Citizens Bank of Canada, Datawave Prepaid Card Company Inc., Horizon Plus Financial Ltd. (a subsidiary of Peoples Trust Company), Hyperwallet Systems Inc., Now Prepay (a division of Vendtek Systems Inc.), Paymobile, Inc., RSVP Communication Services Inc., SelectCore Ltd. (a program manager for All Trans Credit Union), TNS Prepaid Financial Corp., and TruCash Rewards Limited (a program manager for All Trans Credit Union). Competitors in the Prepaid Products business include Gold Line Telemanagement Inc. (a reseller for TruCash Rewards Limited), and InComm Canada Prepaid Inc. (previously Datawave Services (Canada) Inc.). Competitors in the pre-authorized debit business include EFT Canada Inc., Versapay Corporation, and all of the major Canadian chartered banks. Because DCPayments operates its own switch for processing transactions related to these businesses and develops its own in house proprietary technology, DCPayments believes that DCPayments provides a more competitive cost structure than most competitors.

DCPAYMENTS' AUSTRALASIA BUSINESSES

The Australia and New Zealand operations of DCPayments are primarily focused on ATMs. The Australian and New Zealand ATM businesses flow from the Customers Acquisition which was completed on July 4, 2012. Prior to the Customers Acquisition, DCPayments did not have an ATM business operating in Australia or New Zealand. DCPayments does not have any Debit Terminal business operations in Australia or New Zealand. The Prepaid Card business of DCPayments in Australia was started by a DCPayments subsidiary incorporated in Australia for that purpose. DCPayments' revenue ceased in the Australasia Prepaid Product market in October, 2013, as DCPayments' sole customer's operations were suspended. In January, 2014 DCPayments launched a new innovative Prepaid Card offering in Australia whereby ATM customers can purchase a Prepaid Card that can only be used at a DCPayments ATM, allowing customers to access their cash by making withdrawals where this access to cash might otherwise be limited.

Where historical ATM information is provided concerning the performance of the Australian and New Zealand businesses before July 4, 2012: (a) such information is not included in the financial results of the DCPayments Group; and (b) such information is provided only for the purpose of providing information about business trends that may be relevant to understanding the Australia and New Zealand businesses as they exist as of the date of this annual information form. Since the Prepaid Card business was started by a DCPayments entity (i.e. not as a result of the Customers Acquisition or any other business acquisition transaction) all of the information related to the Prepaid Card business is included in the historical financial results of the DCPayments Group.

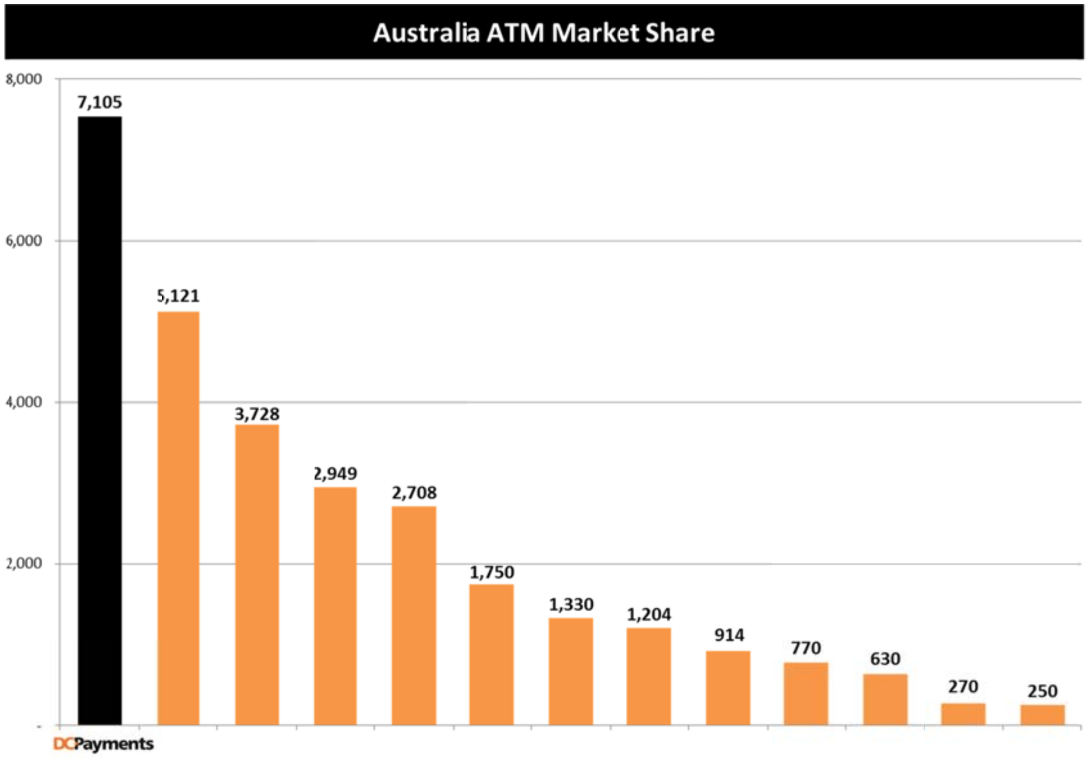
DCPayments' Australasia ATM Business

In Australia DCPayments is a fully integrated ATM terminal provider and offers a complete suite of ATM management services from ATM deployment and maintenance to transaction processing, reporting and settlement. DCPayments had 7,539 active ATMs in DCPayments' Australia and New Zealand Networks as at December 31, 2014. Customers entered the ATM business in 2003 and grew primarily through the acquisition of other independent ATM operators. Notable acquisitions included: (a) acquisition of 700 ATM sites/contracts from St George Bank in 2005; (b) acquisition of ATM Solutions, from Macquarie Bank in 2007 (3,500 ATMs) and (c) the acquisition of 1,325 ATM sites/contracts from Eze pursuant to the Eze Acquisition in 2014.

DCPayments owns DCP NZ which is one of the two major independent ATM operators in New Zealand. DCPayments has been working with New Zealand banks to allow their cardholders access to DCPayments' ATMs in New Zealand. As of April 2012, DCPayments' New Zealand ATMs were able to accept the majority of New Zealand's financial institutions' Cards, thereby significantly improving the outlook of this New Zealand business.

DCPayments' Australasia ATM Market Share

At present, DCPayments estimates that DCPayments has the largest branded Network of ATMs operating in Australia. DCPayments' deployed Australian ATM fleet represents 24% of the aggregate Australian ATM market (including bank-owned ATMs) and approximately 40% of the independent ATM market (Sources: APCA and Retail Banking Research - Global ATM Market Forecast to 2019: Australia, published September, 2014). The following diagram summarizes the size of the competitors (by number of ATMs deployed) in the Australia ATM market (top 11 with 500 or more ATMs deployed).



(Source: Retail Banking Research - Global ATM Market and Forecasts to 2019: Australia, published September, 2014)

Notes: (1) This diagram includes only Australian ATMs, DCPayments' ATMs located in other Australasia markets (i.e. New Zealand) are not included.

DCPayments' Australasia ATM Transaction Types

DCPayments' Australia ATM business has the same traditional types of product/service offerings as offered in Canada described above (i.e. "Processing Contracts", "Partial Placements", "Full Placements", and hybrid contracts which may include different mixes of services as compared to the traditional 3 types of contracts). Contracts terms and revenue sources are similar to those used in Canada with some localized differences. The key difference in revenue sources is that in Australia there is no "interchange" charged - all of the revenue paid to an ATM owner/operator is through the "surcharge" fee.

The average surcharge charged by DCPayments in Australia in 2014 for approved ATM withdrawal transactions was $2.51 (Australian dollars). In Australia, DCPayments earns surcharge on both cash withdrawals and balance inquiries. The total number of approved ATM withdrawal transactions for 2014 was 48.2 million (2013: 52.7 million).

The following table provides a breakdown of the active ATMs in DCPayments' Australian/New Zealand Network by agreement type (classified into the traditional contract type that they most closely match) as at December 31, 2014:

Agreement Types – Number of Active ATMs
(Australia & New Zealand)

	Contract Type
Processing Contracts	164
Partial Placement Contracts	4,740
Full Placement Contracts	2,635
Total	7,539

DCPayments' Australasia Transaction Processing Switch

In 2013, DCPayments decommissioned its own ATM transaction processing switch platform and began to outsource to Strategic Payments Services Pty Ltd. and First Data Corporation in Australia and, as a consequence of the Eze Acquisition, to Indue Limited, which deliver daily transaction information which DCPayments then uses to disseminate information to customers.

In Australia DCPayments' Prepaid Card program was historically sponsored and processed through Indue Limited (which in turn has a third party transaction processing relationship with First Data Corporation). DCPayments’ revenue ceased in the Australasia Prepaid Product market in October, 2013, as DCPayments’ sole customer’s operations were suspended. In January, 2014 DCPayments launched a new closed loop innovative Prepaid Card offering in Australasia whereby ATM customers can purchase a Prepaid Card that can only be used at a DCPayments ATM, allowing customers to access their cash by making withdrawals where this access to cash might otherwise be limited.

Australasia Technology Solutions for ATM Owners

DCPayments provides a number of solutions to Australian ATM owners, including web reporting and immediate error notification (i.e. solutions similar to those provided to ATM owners in Canada). DCPayments' web solution is a windows-based set of tools for "anywhere" management of ATMs that allows an ATM owner or operator to use the internet to manage ATMs and to generate advanced reporting.

Through the use of DCPayments' error notification software, DCPayments is also able to provide near real time information on the status of each ATM. Depending on the ATM type, some terminals are capable of paging the operator of the terminal and providing the operator with information on the error, effectively reducing ATM downtime. For example, DCPayments can provide ATM error notification, ATM cassette status, ATM receipt paper status and dispenser errors. DCPayments believes that these technological capabilities provide DCPayments with a competitive advantage when pursuing new customers.

Australasia Product Suppliers (ATMs)

The brands/models distributed by DCPayments changes from time to time and the choice is largely determined by customer demand (which in term is influenced by unit pricing, functional capability, and perceived reliability). During the period commencing January 1, 2014, for the Australia & New Zealand market, DCPayments has been a significant buyer of ATM parts manufactured/supplied by Nautilus Hyosung Inc. DCPayments is dependent on manufacturers for DCPayments' ATM products, but DCPayments has reduced DCPayments' supply exposure by having access to a number of different suppliers/models at any one time.

In Australia, DCPayments maintains an inventory of ATMs in order to provide a fast turnaround for installations. In addition, DCPayments maintains an extensive parts inventory for all of the various types of ATMs that DCPayments deploys in order to provide the appropriate service levels to DCPayments' customers.

Australasia Customer Types (ATMs)

DCPayments' Australia and New Zealand customers include (for example) convenience food stores, bars, pubs, nightclubs, sports facilities, malls, recreation centres, hotels, restaurants, retail stores, gasoline retailers, grocery stores, casinos, and airports. DCPayments also has arrangements with a number of banks in Australia pursuant to which DCPayments provides ATM services for ATMs branded with the banks' logos (i.e. the "Customers" or other DCPayments tradenames do not appear on these ATMs). During 2014 DCPayments also maintained or established a number of chain accounts in Australia and New Zealand including with Coles Supermarkets Australia Pty Ltd, BP Australia Pty Ltd., Bank of Queensland, Hospitality Association of New Zealand, Foodstuffs (NZ) Ltd., Mobil Oil New Zealand Limited, Shahin Enterprises Pty Ltd., and Clubs New Zealand Incorporated.

Australasia Seasonality (ATMs)

ATM transaction volumes are subject to seasonality. Based upon historical transaction volumes in Australia from January 2010 through to December 2014, the highest transaction activity in Australasia typically occurs in the 3rd and 4th quarters of the year. The 1st and 2nd quarters are traditionally DCPayments' weakest quarters in terms of number of processed transactions and gross profitability in Australasia.

Australasia Sales, Distribution and Marketing (ATMs)

DCPayments markets DCPayments' ATMs through third party lead generation, marketing to existing customers/locations where DCPayments ATMs are already in operation, in-house sales personnel, commission sales agents, direct mail, and distributors throughout Australia and New Zealand. In addition, DCPayments attends numerous trade shows each year and advertises through print media in a variety of trade magazines. All of DCPayments' distributors and commission sales agents are under contract. The contracts typically contain exclusivity and non-competition covenants.

Australasia Competition (ATMs)

The Australia ATM industry is comprised of a relatively small number of competitors (as compared to the more fragmented and diverse number of competitors in Canada) is comprised of a full spectrum of providers from large banks to single proprietorship owners of ATMs. DCPayments' non-bank competitors are primarily regional players. Some of the major non-bank competitors are First Data Corporation, ICash Payment Systems Limited, Cuscal Limited, GRG International Ltd., Prosegur Australia Pty Ltd. and The Banktech Group, which have installations across Australia and are not limited to particular regions. DCPayments' bank competitors include Australia and New Zealand Banking Group Limited (ANZ), Bendigo and Adelaide Bank, Commonwealth Bank of Australia, National Australia Bank, Suncorp Bank and Westpac Banking Group. The following information concerning the number of Australia ATMs operated by the banks has been obtained from results published by the research firm, Retail Banking Research:

Bank	Bank Reported Number of ATMs (approximate)
Commonwealth Bank of Australia	3,728
Australia and New Zealand Banking Group Limited	2,708
Westpac Banking Group	2,949
National Australia Bank	1,330
Bendigo and Adelaide Bank	914
Suncorp Bank	770

DCPayments estimates that as of December 31, 2014 there were over 5 non-financial institution ATM providers in Australia, ranging in size from a few ATMs to in excess of 5,000 ATMs, with DCPayments being the largest branded non-financial institution ATM provider with 7,105 (Australia number only) active ATMs as of December 31, 2014. DCPayments is not aware of any independent third party reports that provide details of branded non-financial institution ATMs deployed in Australia. The following information concerning the number of Australian ATMs operated by non-financial institutions has been obtained from results published by the research firm, Retail Banking Research:

Non-Financial Institution ATM Provider	Reported Number of ATMs (approximate)
DCPayments	7,105
First Data Corporation	5,121
The Banktech Group	1,750
GRG International Ltd.	630
Prosegur Australia Pty Ltd.	250

(Source: Retail Banking Research - Global ATM Market and Forecasts to 2019: Australia, published September, 2014)

Notes: (1) This table includes only Australian ATMs for 2013, DCPayments' ATMs located in other Australasia markets (i.e. New Zealand) are not included.
(2) This table reflects the actual number of ATMs for DCPayments for the year ended 2014 and market data for each competitor listed for 2013.

DCPayments' Australia Prepaid Product & Prepaid Card Business

DCPayments’ revenue ceased in the Australasia Prepaid Product market in October, 2013, as DCPayments’ sole customer’s operations were suspended. In January, 2014 DCPayments launched a new innovative Prepaid Card offering in Australasia whereby ATM customers can purchase a Prepaid Card that can only be used at a DCPayments ATM, allowing customers to access their cash by making withdrawals where this access to cash might otherwise be limited.

Description of Australia Business Segment (Prepaid Products & Prepaid Cards)

In Australia, DCPayments has entered into agreements with local transaction processors and Card program sponsors that are authorized under the laws of Australia to issue Prepaid Cards and process transactions (in order to offer Prepaid Products and arrange for transaction processing in such countries). DCPayments has also entered into agreements with local transaction processors and Card program sponsors that are authorized under the laws of the local jurisdiction to issue Prepaid Cards and process transactions (in order to offer Prepaid Products and arrange for transaction processing in such countries).

DCPAYMENTS' EUROPEAN BUSINESSES

The United Kingdom operations of DCPayments are primarily focused on ATMs. The United Kingdom ATM businesses flow from the UK Acquisition which was completed on May 25, 2012. Prior to the UK Acquisition, DCPayments did not have an ATM business operating in United Kingdom. DCPayments does not have any Debit Terminal business operations in the United Kingdom. The Prepaid Card business of DCPayments in the United Kingdom was started by a DCPayments subsidiary incorporated in the United Kingdom for that purpose. DCPayments exited the United Kingdom Prepaid Product market in January, 2014, although DCPayments could re-enter this market in the future should opportunities arise.

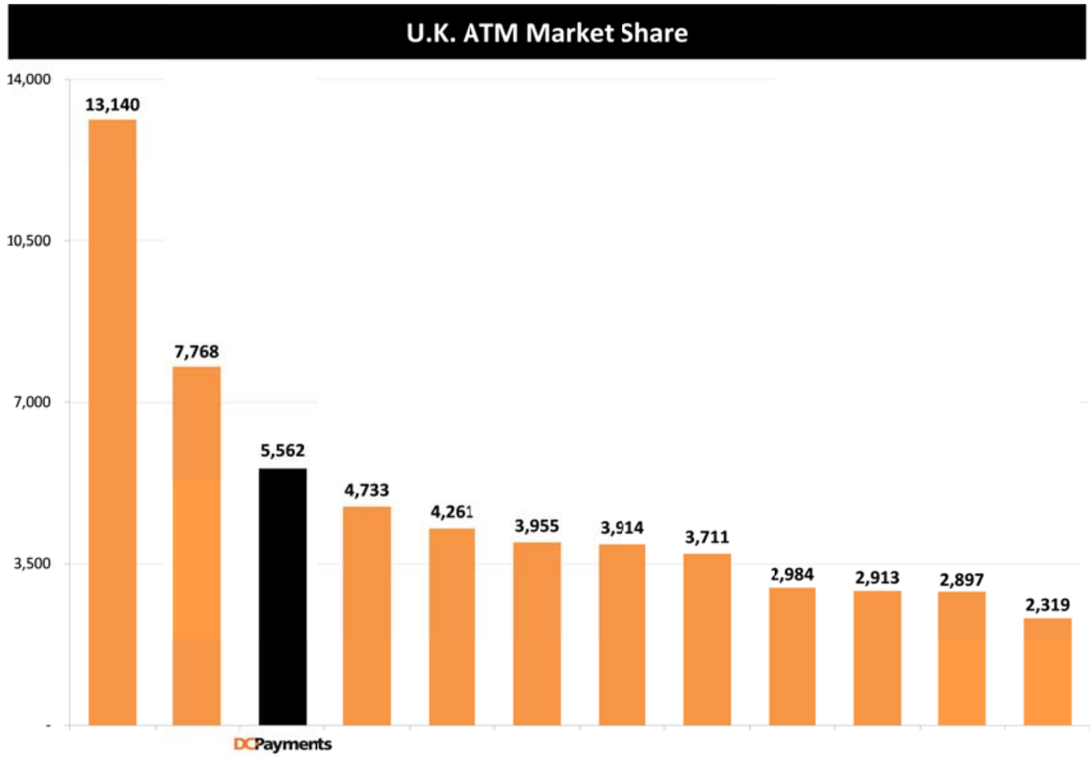
Where historical ATM information is provided concerning the performance of the United Kingdom businesses before May 25, 2012 (i.e. when the UK Acquisition was completed): (a) such information is not included in the financial results of the DCPayments Group and (b) such information is provided only for the purpose of providing information about business trends that may be relevant to understanding the United Kingdom businesses as they exist as of the date of this annual information form. Since the Prepaid Card business was started by a DCPayments entity (i.e. not as a result of the UK Acquisition or any other business acquisition transaction) all of the information related to the Prepaid Card business is included in the historical financial results of the DCPayments Group.

DCPayments has historically operated a bench repair facility for Triton brand ATMs in the United Kingdom. This facility provides a less expensive option for customers (as compared to shipping equipment back to Triton Systems of Delaware, LLC in the USA for repair). DCPayments has provided Triton repair and parts services to a few independent ATM companies (i.e. competitors of DCPayments in the ATM deployment business) in the United Kingdom market and continues to do so. DCPayments provides repair and part services for its own operations and customers for ATMs manufactured by ‘NCR’ and ‘Wincor’ in the United Kingdom.

DCPayments' European ATM Business

DCPayments' European ATM Market Share

DCPayments is a fully integrated ATM terminal provider, and offers a complete suite of ATM management services from ATM deployment and maintenance to transaction processing, reporting and settlement. DCPayments had 5,562 active ATMs in DCPayments' United Kingdom Network as at December 31, 2014. DCPayments' predecessor corporation in United Kingdom (InfoCash Limited) was incorporated on January 2, 1997 (named Touchscreen Systems Limited from incorporation until March 7, 2005). At present, DCPayments estimates that DCPayments is has the 3rd largest branded Network of non-bank ATMs operating in the United Kingdom. The following diagram summarizes the size of the competitors (by number of ATMs deployed) in the United Kingdom ATM market (top 12 with 2,000 or more ATMs deployed - the remaining approximately 10,700 ATMs are deployed by 19 different companies of which 3 have over 1,000 ATMs deployed).



(Source: LINK available at www.link.co.uk/aboutlink/statistics/pages/statistics.aspx)

DCPayments' European ATM Transaction Types

DCPayments' United Kingdom ATM business has the same traditional types of product/service offerings as offered in Canada described above (i.e. "Processing Contracts", "Partial Placements", "Full Placements", and hybrid contracts which may include different mixes of services as compared to the traditional 3 types of contracts). Contracts terms and revenue sources are similar to those used in Canada with some localized differences. The key difference in revenue sources is that in United Kingdom there are 2 choices for types of ATM deployments ("free to use" and "pay to use"). If an ATM is set up as "free to use" then there is no surcharge and DCPayments' revenue is limited to the share of the interchange amount that is not shared with the Customer. If an ATM is set up as a "pay to use" site then only surcharge is payable and DCPayments' revenue is limited to the share of the surcharge amount that is not shared with the customer. Customers are frequently given the right (in their ATM contract) to switch between "pay to use" and "free to use" arrangements for their ATM. Customers are frequently given the right (in their ATM contract) to switch between "full placement" where DCPayments loads the cash and "partial placement" were the customer loads the cash.

The average surcharge charged by DCPayments in United Kingdom in 2014 was £1.78. In 2014, the Interchange Fee in United Kingdom on LINK was set at £0.264 for withdrawals and £0.154 for balance inquiries and declined transactions. Unlike Canada (where the Interac Interchange Fee has remained the same for many years), in the United Kingdom LINK annually reviews (and changes if necessary) the Interchange Fee based upon costs of LINK and costs of Network participants to provide the services. The total number of approved ATM withdrawal transactions for January 2014 to December 2014 was 30.2 million (2013: 27.2 million).

The following table provides a breakdown of the active ATMs in DCPayments' United Kingdom Network by agreement type (classified into the traditional contract type that they most closely match) as at December 31, 2014:

Agreement Types – Number of Active ATMs
(United Kingdom)

	Contract Type
Processing Contracts	1,894
Partial Placement Contracts	3,208
Full Placement Contracts	460
Total	5,562

DCPayments European Transaction Processing

In the United Kingdom, DCPayments outsources its transaction processing to VocaLink Ltd. ("**VocaLink**") which also operates LINK. VocaLink delivers daily transaction information which DCPayments then uses to disseminate information to customers.

European Technology Solutions for ATM Owners

DCPayments provides a number of solutions to ATM terminal owners, including web reporting and immediate error notification. Error notification is delivered direct from the ATM to the DCPayments systems in the United Kingdom to raise job tickets for resolution. Through the use of DCPayments' error notification software, DCPayments is also able to provide real time error information on the status of each ATM depending on its type. Most terminals, via this software, are capable of emailing or texting the operator of the terminal and providing the operator with information on the error, effectively reducing ATM downtime. DCPayments believes that these technological capabilities provide DCPayments with a competitive advantage when pursuing new customers.

European Product Suppliers (ATMs)

The brands/models distributed by DCPayments changes from time to time and the choice is largely determined by customer demand (which in term is influenced by unit pricing, functional capability, and perceived reliability). During the period commencing January 1, 2012, for the United Kingdom market, DCPayments has been a significant reseller of ATMs manufactured/supplied by Triton Systems of Delaware LLC, NCR Corporation, Wincor-Nixdorf UK Limited, ATM parts by ATM Gurus (a subsidiary of Triton Systems of Delaware LLC) and ATM software by KAL ATM Software. DCPayments maintains an inventory of ATMs in order to provide a fast turnaround for installations. In addition, DCPayments maintains an extensive parts inventory for all of the various types of ATMs that DCPayments deploys in order to provide the appropriate service levels to DCPayments' customers. DCPayments' employees and independent contractors throughout United Kingdom conduct ATM service and maintenance.

DCPayments' European Triton ATM Supply, Parts & Maintenance Business

DCPayments has an arrangement with Triton Systems of Delaware such that DCPayments acts as the parts supplier and trusted bench repair partner for all Triton ATMs and components in the United Kingdom and Europe. Other ATM deployers in the United Kingdom and Europe rely on DCPayments for the supply of Triton parts.

European Customer Types (ATMs)

DCPayments' United Kingdom customers include (for example) convenience food stores, bars, pubs, nightclubs, workplace areas, sports facilities, hardware stores, recreation centres, hotels, restaurants, retail stores, gasoline retailers, loan/cheque cashing locations, supermarkets, bingo halls, casinos, transport hubs, and bowling centers. Significant customers include Wilkinson Hardware Stores Limited, Stonegate Pub Company Limited, Greenking Brewing and Retailing Limited, Gala Group Limited, Spirit Pub Company (Services) Limited, and Mitchells & Butlers Leisure Retail Limited.

European Seasonality (ATMs)

ATM transaction volumes are subject to seasonality. Based upon historical transaction volumes in United Kingdom from January 2010 through to December 2014, the highest "pay to use" transaction activity in the United Kingdom typically occurs in the 2nd and 3rd quarters of the year with increased event ATMs through the spring and summer. The highest "free to use" transaction activity in the United Kingdom typically occurs in the 3rd and 4th quarters of the year. With the industry growth of "free to use" transactions, the 1st and 2nd quarters have become DCPayments' weakest quarters in terms of number of processed transactions and gross profitability in United Kingdom.

European Sales, Distribution and Marketing (ATMs)

DCPayments markets DCPayments' ATMs through third party lead generation, marketing to existing customers/locations where DCPayments ATMs are already in operation, in-house sales personnel, commission sales agents, direct mail, and IADs throughout the United Kingdom. In addition, DCPayments attends numerous trade shows each year and advertises through print media in a variety of trade magazines. All of DCPayments' distributors and commission sales agents are under contract. The contracts typically contain exclusivity and non-competition covenants.

European Specialized Skill & Knowledge (ATMs)

DCPayments has a service infrastructure and call centre which requires skilled ATM technicians and call centre management to operate. In addition, DCPayments operates a centre of excellence for parts repair and distribution of Triton ATM parts and components in Europe.

European Competition (ATMs)

The United Kingdom ATM industry is fragmented and is comprised of a full spectrum of providers from large banks to single proprietorship owners of ATMs. Some of the major non-bank competitors are Bank Machine Limited (subsidiary of Cardtronics), Note Machine UK Ltd., PayPoint Network Ltd., and Your Cash Ltd. which have installations across the United Kingdom and are not limited to particular regions. DCPayments' bank competitors include Barclays Bank plc, HSBC Bank plc, Lloyds TSB Scotland plc, National Westminster Bank plc, and The Royal Bank of Scotland plc. The following information has been obtained from LINK concerning the number of United Kingdom ATMs operated by the banks:

Bank	Bank Reported Number of ATMs (approximate)
The Royal Bank of Scotland plc	4,733
Barclays Bank plc	4,261
National Westminster Bank plc	3,711
HSBC Bank plc	2,984
Lloyds TSB Scotland plc	2,913

DCPayments estimates that as of December 31, 2014 there were over 10 non-financial institution ATM providers in United Kingdom, ranging in size from a few ATMs to in excess of 13,100 ATMs, with DCPayments being the 3rd largest branded non-financial institution ATM provider with 5,562 active ATMs as of December 31, 2014. The following information has been obtained from LINK concerning the number of United Kingdom ATMs operated by the non-financial institutions:

Non-Financial Institution ATM Provider	Reported Number of ATMs (approximate)
Bank Machine Limited (subsidiary of Cardtronics)	13,140
NoteMachine UK Ltd.	7,768
DCPayments	5,562
YourCash Ltd.	3,955
PayPoint Network Ltd.	3,914

(Source: LINK available at www.link.co.uk/aboutlink/statistics/pages/statistics.aspx)

COMPETITIVE ADVANTAGES

DCPayments believes that DCPayments' competitive strengths include the following:

Leading market position and premier operator. By focusing on providing retailers with reliable, low cost ATMs and Debit Terminals, superior customer service and real time web reporting, DCPayments has grown to be the largest ATM provider in Canada and Australia and the 3rd largest non-bank ATM provider in the United Kingdom. DCPayments is one of the largest, publicly traded ATM providers in the world with operations in Canada, Australia, New Zealand, Mexico and the United Kingdom.

Diversified revenue base. DCPayments' business is diversified in terms of product offering as well as geography, which provides greater stability to DCPayments' revenue stream. DCPayments participates in two distinct business units: (i) the ATM business; and (ii) other services business which includes the Prepaid Products, Debit Terminal business and the CUFI business. Between these two segments DCPayments is able to cross-sell products and services. DCPayments is not aware of any competitor in both business segments in the countries where DCPayments operates.

Stable and recurring revenue. The contractual nature of DCPayments' business provides recurring transactional and fixed revenue streams with a large number of geographically diverse customers including small, medium and large retail enterprises in a variety of market segments. Contracts with DCPayments' customers in the ATM and Debit Terminal business typically have an initial term of 6 years. These are standard form contracts that generally include a renewal provision that allows the term to be extended for a further period after the end of the initial contract term and generally include a right of first refusal for DCPayments to match a competitor's offer on renewal. Once an ATM or Debit Terminal is deployed at a location there is little ongoing maintenance capital expenditures required. In the Prepaid Product business, DCPayments' customers include significant market players in the cheque cashing, tax return and pay day loan industries, contracted for initial terms of 3 to 10 years.

Highly experienced management team. DCPayments has an experienced and entrepreneurial team. In Canada, many team members have been involved in the ATM industry since regulatory changes enabled non-bank ATM providers to enter the Canadian market in late 1996. The management team has demonstrated a strong track record of identifying and executing on accretive acquisition opportunities. As part of the InfoCash Acquisition, DCPayments retained Timothy G. Wilder (current Managing Director of DC Payments UK) and his management team. Mr. Wilder is an experienced executive and ATM entrepreneur, with 15 years of experience with InfoCash and over 25 years industry experience. In Australia, DCPayments has retained Matthew J. Thomas (current Managing Director, Australasia), who previously acted as Global Director of IT for DCPayments and prior thereto Chief Technical Officer for InfoCash Limited. Mr. Thomas is an experienced executive, with over 10 years of industry experience. The addition of Mr. Wilder, Mr. Thomas, and their teams bring significant management strength to DCPayments. As part of the Threshold Acquisition, DCPayments retained Mike Kelso (current Vice President, Innovation). Mr. Kelso is an experienced senior executive, with over 20 years of industry experience in the payments and CUFI business. The addition of Mr. Kelso brings significant management strength to DCPayments. In March of 2013 DCPayments hired Aimie Killeen as general counsel after she practiced at one of Australia's premier global law firms where she practiced leveraged and acquisition finance, aviation finance, structured asset finance, securitization, debt capital markets, general corporate banking and restructuring.

DIVIDENDS & DISTRIBUTIONS

DCPayments has declared and paid the following cash dividends to the holders of Common Shares during the last three fiscal periods (i.e. the years ended December 31, 2012, 2013 and 2014) and months during 2015 up to February 28, 2015:

Period covered	Dividend or Distribution Per Unit/Share $
January 1, 2012 to December 31, 2012	1.3800
January 1, 2013 to December 31, 2013	1.3800
January 1, 2014 to December 31, 2014	1.4050
January 1, 2015 to February 28, 2015	0.2400

Notes: (1) 2014 data includes dividends paid of $0.115 January 2014 –July 2014 (7 months), $0.120 August 2014 –December 2014 (5 months).

Monthly dividends (paid to DCPayments Shareholders of record on the last day of each calendar month, or such other date as may be determined from time to time by the Board of Directors) are generally paid on the last business day of the following month.

Notwithstanding the foregoing, the amount of any dividends payable by DCPayments will be at the discretion of the Board of Directors from time to time. The amount may vary depending on, among other things, DCPayments' earnings, financial requirements for DCPayments' operations, the satisfaction of solvency tests imposed by the ABCA for the declaration and payment of dividends and other conditions existing from time to time including DCPayments' compliance with the Debt Agreements and the indenture governing DCPayments' Notes.

The historical dividends described above may not be reflective of future dividends, which will be subject to review by the Board of Directors taking into account the prevailing circumstances at the relevant time. Although DCPayments intends to declare and pay dividends of its available cash to DCPayments Shareholders, these dividends may be reduced or suspended. The actual amount distributed will depend on numerous factors, including profitability, debt covenants and obligations, fluctuations in working capital, the timing and amount of capital expenditures, applicable law and other factors beyond the control of DCPayments. See "*Risk Factors*".

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The following is a description of the rights, privileges, restrictions and conditions attaching to DCPayments' share capital.

Common Shares

DCPayments is authorized to issue an unlimited number of Common Shares without nominal or par value. Subject to the provisions of the ABCA, holders of Common Shares are entitled to one vote per share at meetings of shareholders. Subject to the rights of the holders of Preferred Shares and any other shares having priority over the Common Shares, holders of Common Shares are entitled to dividends if, as and when declared by the Board of Directors of DCPayments and upon liquidation, dissolution or winding up to receive, DCPayments' remaining property. There are currently 17,589,279 Common Shares issued and outstanding.

Preferred Shares

DCPayments is authorized to issue an unlimited number of Preferred Shares without nominal or par value. There are currently no Preferred Shares issued and outstanding.

Ratings

The Notes are currently rated by two separate agencies, Moody's Investor Services ("**Moody's**") and Standard and Poor's ("**S&P**"). The Notes have been assigned ratings of B+ by S&P and B3 by Moody's.

S&P and Moody's provide credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments.

S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. S&P has assigned DCPayments a corporate credit rating of B+/Stable, and a credit rating of B+ on the Notes. An obligation rated "B" is more vulnerable to non-payment than those rated BB, but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation. The ratings from AA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major rating categories. In addition, S&P may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

Moody's credit ratings are on a long-term debt rating scale that ranges from AAA to C, which represents the range from highest to lowest quality of such securities rated. Moody's has assigned DCPayments a corporate family credit rating of B1/Stable and a credit rating of B3 on the Notes. According to the Moody's rating system, securities rated "B" are considered speculative and are subject to high credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from AA through CAA. The modifier 1 indicates that the security ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of its generic rating category. In addition, Moody's may add a rating outlook of "positive", "negative" or "stable", which assess the likely direction of an issuer's rating over the medium term.

During 2014, DCPayments paid fees of $43,000 (plus GST) to Moody's and $45,300 (plus GST) to S&P in annual surveillance fees in respect of these ratings. No other services were provided by these agencies to DC Payments in the last two years.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. A rating can be revised, suspended or withdrawn at any time by the rating agency. Potential investors should consult the rating agency should they require more information with respect to the interpretation and implications of the foregoing ratings

NORMAL COURSE ISSUER BID

DCPayments applied to the TSX and received approval for the NCIB on March 27, 2014. The NCIB is for a maximum of 879,464 Common Shares, representing approximately 5.0% of the 17,589,279 currently issued and outstanding Common Shares. No prior purchases Common Shares had been made by DCPayments pursuant to any NCIB prior to March 27, 2014. In accordance with the results of the TSX governing normal course issuer bids, the total number of Common Shares of DCPayments is permitted to purchase is subject to a daily purchase limit of 14,687 shares, representing 25.0% of the average daily trading volume of DCPayments shares on the TSX calculated for the six-month period ended February 28, 2014, provided, however, that DCPayments may make one block purchase per calendar week which exceeds the daily re-purchase restriction. The price that DCPayments will pay for any Common Shares under the NCIB will be prevailing market price on the TSX at the time of such purchase. Common Shares acquired under the NCIB will be cancelled. The NCIB commenced on April 1, 2014 and terminates on March 31, 2015. As of the date hereof, DCPayments has made no purchases of Common Shares under the NCIB. Shareholders may obtain a copy of the notice filed with the TSX setting out a summary of the terms of the NCIB, without charge, by contacting DCPayments.

MARKET FOR SECURITIES

Trading Price & Volume

The outstanding Common Shares of DCPayments are listed and posted for trading on the TSX under the trading symbol "DCI". The following table sets out DCPayments' monthly high and low closing prices and the total monthly trading volumes on the TSX for the periods indicated:

	Price Range		
	High ($)	**Low ($)**	**Volume**
2014			
January	$19.50	$17.20	933,317
February	$19.50	$17.10	1,572,202
March	$16.52	$15.82	839,437
April	$16.84	$14.96	880,100
May	$16.63	$16.09	776,544
June	$17.13	$14.31	891,231
July	$15.16	$14.43	453,916
August	$15.35	$13.79	1,511,622
September	$16.22	$14.18	1,601,014
October	$15.68	$12.39	2,023,410
November	$16.07	$14.06	1,599,623
December	$18.70	$15.55	2,134,713
2015			
January	$19.88	$18.18	1,073,047

	Price Range		
	High ($)	**Low ($)**	**Volume**
February	$18.40	$16.20	1,033,602
March (1 - 25)	$16.70	$15.51	409,102

Prior Sales

Other than the issuance of 950,000 Common Shares on November 15, 2013 pursuant to a public offering of Common Shares at a price of $16.00 per Common Share for gross proceeds of $15.2 million, there were no issuances by DCPayments of Common Shares or securities convertible into Common Shares in the twelve month period prior to the date hereof.

Upon closing of the DC Bank Acquisition, DCPayments will issue 1,077,989 Common Shares from treasury at a price of $13.9148, subject to adjustment on account of a minimum net asset value of DC Bank as at closing. Closing of the transaction is subject to a number of regulatory, governmental and other approvals and consents, including the approval of the Minister of Finance (Canada) and the TSX. The process of obtaining these approvals is ongoing as at the date hereof.

DIRECTORS AND OFFICERS

Directors and Officers

All directors of DCPayments are elected annually in connection with the annual general meetings of DCPayments. The following table sets out as of the date hereof, the names, municipalities of residence, positions and offices with DCPayments, the principal occupations during the five preceding years, and Common Share holdings of each of the directors and executive officers of DCPayments. Included in this list are some executive officers of subsidiaries of DCPayments who have significant policy making functions in respect of DCPayments' operations in particular countries outside of Canada.

Name and Municipality of Residence	Position with DCPayments	Since (1)	Principal Occupation During Five Preceding Years
Jeffrey J. Smith Calgary, Alberta	President, Chief Executive Officer and Director	February, 2004	President and Chief Executive Officer of DCPayments and predecessors from 1997 to present.
Brenda G. Hughes Calgary, Alberta	Chief Financial Officer and Secretary	January 15, 2013	Chief Financial Officer of DCPayments from January 15, 2013 to present (and before that, consultant to DCPayments from July 1, 2012 to January 15, 2013). Chief Financial Officer of Connacher Oil & Gas Limited from January 2012 to June 30, 2012 (and before that Assistant Corporate Secretary from May 2010 to December 2011). Chief Financial Officer of Insignia Energy Ltd. from July 2008 to August 2009. Controller of Insignia Energy Inc. from January 2007 to July 2008.
Todd M. Schneider Calgary, Alberta	Chief Operating Officer	November, 2007	Chief Operating Officer of DCPayments and predecessors from November 2007 to present. Various positions with DHL Express (Canada), Ltd. from February 2003 until July 2007 (starting as Director of Sales - Western Region and culminating as Area Director - Prairies).

Name and Municipality of Residence	Position with DCPayments	Since [1]	Principal Occupation During Five Preceding Years
Adel Elassal Calgary, Alberta	Chief Information Officer	October, 2013	Chief Information Officer from October, 2013 to present. Prior thereto, Vice President, IT & Security from April 2012 to October 2013 (and prior thereto Infrastructure & Telecommunications Manager from June 2007 to April 2012) of DCPayments and predecessors.
Angela D. King Calgary, Alberta	Vice President, Contract Administration	January, 2011	Vice President, Contract Administration from March, 2015 to present. Prior thereto, Vice President, Operational Accounting from January, 2011 to March, 2015 (and prior thereto Operational Accounting Manager from 1998 to January, 2011) of DCPayments and predecessors.
Gary H. Dundas[2][3] Calgary, Alberta	Director, Chair of Audit Committee	November, 2004	Independent businessman. Formerly Vice President, Finance, Chief Financial Officer and Director of Avenex Energy Corp. (and predecessors), (a TSX listed oil & gas exploration and production corporation) from January 2003 to March 2013. Director of Athabasca Oil & Gas Corp. (a TSX listed oil sands corporation) from August 23, 2006 to present. A Professional Accountant with a Certified Management Accountant (CMA) Designation, Mr. Dundas obtained his Bachelor of Commerce and MBA degrees from the University of Calgary
R. Bradley Hurtubise[2][3] Calgary, Alberta	Lead Director	November, 2007	Chief Executive Officer & a Director of Eaglewood Energy Inc. (a TSX listed oil & gas corporation) from November, 2008 to July, 2014. Director of Ithaca Energy Inc. (an oil & gas corporation whose shares trade on the TSX and London AIM market) from February 2008 to present. Director of Compton Petroleum Corporation (a TSX and NYSE listed oil & gas corporation), from March 2009 to August 2011. Mr. Hurtubise holds a Bachelor of Commerce degree from the University of Calgary, an MBA from the Schulich School of Business at York University in Toronto, and is a Chartered Financial Analyst charter holder.
Leroy (Lee) E. Thiessen[3] Calgary, Alberta	Director	February, 2009	Principal Partner, Advisory Services and National Leader, Real Estate and Construction at MNP LLP from May 2011 to present. Prior positions included Executive Vice President, Global Business Development at Altus Group Limited (a subsidiary of Altus Group Income Fund, a public trust listed on the TSX) from June, 2008 to May 2011. Mr. Thiessen was with Deloitte & Touche LLP from 2000 to May, 2008 eventually holding the position of Senior Tax Partner (national leader - realty tax services). Mr. Thiessen holds a Bachelor of Arts from the University of Calgary and Masters of Business Administration from Golden Gate University.

Name and Municipality of Residence	Position with DCPayments	Since [(1)]	Principal Occupation During Five Preceding Years
Ronald G. Waxman[(3)] Montreal, Quebec	Director	May, 2014	President of LRJ Consulting, a private security and banking consulting firm, since 2009. Mr. Waxman is a director of several Canadian companies involved in various industries. Previously he held various positions with Stanley Security Solutions, including COO for Canada and Vice President, Strategic Initiatives. Before that he was a cofounder of Frisco Bay Industries in Montreal, Quebec acting as its COO for over 20 years. Frisco Bay operated Canada's third largest non-bank ATM Network until its sale to Stanley Security Solutions in 2004. Mr. Waxman holds a Bachelor of Commerce from Sir George Williams University (now Concordia).
Barry G. Sechos[(2)] Sydney, New South Wales, Australia	Director	May, 2013	Mr. Sechos is a corporate lawyer and currently a director of the Sherman Group, a privately owned investment company located in Australia, as well a director of several Australia and United Kingdom based companies involved in various industries. Former Director, Corporate and Administration of the Australian operations of Aberdeen Asset Management Limited (a public international funds management group, listed on the London Stock Exchange). Previously held various positions with iCash Payment Systems Limited, an Australian Stock Exchange listed ATM payments corporation. Mr. Sechos holds a Bachelor of Commerce in Accounting and a Bachelor of Laws both from the University of New South Wales.
Matthew J. Thomas Melbourne, Victoria, Australia	Managing Director, Australasia for DC Payments Pty Ltd[(4)]	January, 2013	Managing Director for DC Payments Pty Ltd from January, 2013 to present. Global Director of IT for DCPayments from June, 2012 to January 2013. Chief Technical Officer for InfoCash Limited from September 2003 to June, 2012 and prior to that CEO of CashBox plc. Mr. Thomas holds a City and Guilds in Electronic Engineering from Brunel College of Technology.
Aimie Killeen	General Counsel	March, 2013	General Counsel of DCPayments since March 2013, Ms. Killeen previously practiced at one of Australia's premier global law firms where she practiced leveraged and acquisition finance, aviation finance, structured asset finance, securitization, debt capital markets, general corporate banking and restructuring. Ms. Killeen holds a Bachelor of Business degree, a Bachelor of Laws degree and a Graduate Diploma in Law and Legal Practice from the University of Technology, Sydney.
Tim G. Wilder Oxon, England	Managing Director, Europe for InfoCash Limited[(5)]	October 1999	Managing Director Europe for InfoCash Limited from October, 1999 to present. Mr. Wilder holds an Honours Engineering Degree from Newcastle University.

Name and Municipality of Residence	Position with DCPayments	Since (1)	Principal Occupation During Five Preceding Years
Mike E. Kelso Mississauga, Ontario	Vice President, Innovation	November, 2013	Vice President, Innovation of DC Payments since November 1, 2013 to present. Previously held various positions with Threshold from 2010 to November 2013 (starting as Head of IT and Product Development and culminating as Vice President, Innovation). Prior to joining Threshold, Mr. Kelso provided business and technology consulting and education to the payments industry. Mr. Kelso holds a Bachelor of Math from the University of Waterloo.
Amanda J. Gallacher Calgary, Alberta	Vice President, Corporate Strategy & Acquisitions	May, 2013	Vice President, Corporate Strategy & Acquisitions since March 2015 (and prior thereto Vice-President, Investments from May 15, 2013 to March 2015and Financial Analyst from September 2003 to May 2013) of DC Payments and predecessors. Ms. Gallacher holds a Bachelor of Arts in Economics and a Masters in Business Administration in Finance from the University of Calgary.

Notes:

(1) The dates in this column show the earlier of the date that the director (or officer) became a director (or started in the specified officer position) of DCPayments (which was incorporated October 7, 2010) or a director of DCManagement (which was incorporated February 3, 2004 and was the entity where directors were elected when the Fund was in existence). Many of the directors and officers listed were also directors or officers of one or more predecessor corporations (going back as early as September 25, 1997) that carried on the Canadian ATM business.

(2) Member of the Audit Committee.

(3) Member of the Compensation, Nominating and Corporate Governance Committee.

(4) Mr. Thomas is not an officer of DCPayments or of any of DCPayments Groups' Canadian entities. Rather, Mr. Thomas is an executive officer of DCPayments Group's principal operating entity in Australia.

(5) Mr. Wilder is not an officer of DCPayments or of any of DCPayments Groups' Canadian entities. Rather, Mr. Wilder is an executive officer of DCPayments Group's principal operating entity in the United Kingdom.

Common Share Ownership

As of the date hereof, the directors and officers of DCPayments beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, an aggregate of 2,277,688 Common Shares (including known but unvested LTIP share entitlements), representing approximately 13.0% of the outstanding 17,589,279 Common Shares.

Cease Trade Orders, Penalties or Sanctions

Other than as described below, to DCPayments' knowledge, none of the directors or any of the executive officers of DCPayments was as of the date hereof or has been, within 10 years before the date of this annual information form, director, chief executive officer or chief financial officer of any entity (including DCPayments) that:

(a) was subject to an "order" (i.e. a cease trade order, an order similar to a cease trade order, or an order that denied the relevant entity access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an "order" that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Gary H. Dundas, a director of DCPayments, has been a director of Mahalo Energy Ltd. ("**Mahalo**") from April 21, 2004 to present. On June 22, 2010, the Alberta Securities Commission issued a cease trade order against Mahalo for failure to file annual financial statements for the year ended December 31, 2009 and for failure to file interim unaudited financial statements for the period ended March 31, 2010. The securities commissions or similar regulatory authorities in each of the Provinces of British Columbia, Manitoba, Ontario and Quebec (together with Alberta, the "**Commissions**") issued similar orders in respect of failure to file financial statements. On November 12, 2010, each of the Commissions issued a full revocation order of the cease trade order and a cease to be reporting issuer order in connection with the conclusion of Mahalo's proceedings under the *Companies Creditors Arrangement Act* (Canada) ("**CCAA**"). See "*Directors and Officer - Corporate or Personal Bankruptcies*".

To DCPayments' knowledge, none of the directors or any of the executive officers of DCPayments (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Corporate or Personal Bankruptcies

Other than as described below, to DCPayments' knowledge, no director or executive officer of DCPayments or a holder of Common Shares holding sufficient securities of DCPayments to effect materially the control of DCPayments, or personal holding company of any such person:

(a) is, as at the date of this annual information form, or has been within the 10 years before the date of this annual information form, a director or executive officer of any company (including DCPayments) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Gary H. Dundas, a director of DCPayments, has been a director of Mahalo from April 21, 2004 to present. On May 22, 2009, Mahalo was granted protection from its creditors under the CCAA pursuant to an initial order granted by the Court of Queen's Bench of Alberta. Mahalo concluded a court approved plan of arrangement to exit CCAA protection on November 12, 2010 that resulted in the cancellation of the existing share capital of Mahalo and the settlement of existing creditor obligations. Mr. Dundas was also a director of Mahalo's wholly owned subsidiary, Mahalo Energy (USA) Inc. ("**Mahalo USA**"). On May 21, 2009, Mahalo USA filed for and received chapter 11 creditor protection in the United States. On April 20, 2010, the US chapter 11 proceedings concluded with the transfer of Mahalo USA to Mahalo's creditors.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of DCPayments will be subject in connection with the operations of DCPayments. In particular, certain of the directors and officers of DCPayments are involved in managerial or director positions with other financial services business whose operations may, from time to time, be in direct competition with those of DCPayments or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of DCPayments. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided in the ABCA other than as disclosed herein. As at the date hereof, DCPayments is not aware of any existing material conflicts of interest between DCPayments and any director or officer of DCPayments.

DC Bank is a separate legal entity and is not part of the DCPayments Group (see "*General Description of the Business – Relationship with DC Bank*"). Therefore, any agreements between any of the DCPayments Group and DC Bank will require that steps be taken to recognize that members of management who are also shareholders (directly or indirectly) of DC Bank have a conflict of interest. Three out of the six directors of DCPayments are also directors of DC Bank, leaving three (3) non-conflicted directors (R. Bradley Hurtubise, Leroy E. Thiessen and Barry G. Sechos) to approve contracts on behalf of DCPayments with DC Bank.

See "*Risk Factors*".

AUDIT COMMITTEE AND EXTERNAL AUDITOR MATTERS

Audit Committee Charter

The full text of the most recently approved charter for DCPayments' Audit Committee (as approved by DCPayments' Board of Directors by a resolution dated effective March 19, 2015) is attached hereto as Schedule A (Audit Committee Charter).

Composition of the Audit Committee & Relevant Education and Experience

As of the date hereof, the audit committee was comprised of Messrs. Gary H. Dundas, R. Bradley Hurtubise, and Barry G. Sechos. The following table describes the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member and, in particular, discloses any education or experience that would provide the member with: (a) an understanding of the accounting principles used by DCPayments to prepare DCPayments' financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by DCPayments' financial statements, or experience actively supervising one or more individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting. For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

Name and Municipality of Residence	Independent[1]	Financially literate[2]	Relevant Education and Experience
Gary H. Dundas Calgary, Alberta	Yes	Yes	Mr. Dundas was the Vice President Finance, C.F.O. and a Director of Avenex Energy Corp. (and predecessors), a publicly traded oil & gas exploration and production corporation, from January 2003 to March 2013. Prior to joining Avenex, Mr. Dundas held positions of C.F.O., Vice President Finance, General Manager Corporate Development and Marketing and Controller, respectively, at Maxx Petroleum Ltd., a publicly traded junior oil and gas corporation over a seven-year period. Mr. Dundas has been a director of Athabasca Oil & Gas Corp., a publicly traded oil sands corporation since August 28, 2006 and sits on its audit committee. Mr. Dundas has been a director of a number of publicly listed corporations and income trusts over the past 10 years. A Professional Accountant with a Certified Management Accountant (CMA) Designation, Mr. Dundas obtained his Bachelor of Commerce and MBA degrees from the University of Calgary.
R. Bradley Hurtubise Calgary, Alberta (Lead Director)	Yes	Yes	Mr. Hurtubise has been the C.E.O. & a Director of Eaglewood Energy Inc., a publicly traded junior oil & gas corporation whose shares trade on the TSX, from November, 2008 to July, 2014. Mr. Hurtubise has been a Director of Ithaca Energy Inc., a publicly traded oil & gas corporation whose shares trade on the TSX and London AIM market, since February 2008. Mr. Hurtubise was a director of Compton Petroleum Corporation, a TSX and NYSE listed oil & gas corporation, from March 2009 to August, 2011. Mr. Hurtubise was the Managing Director, Investment Banking for Tristone Capital Inc., from February, 2004 until September, 2007. Mr. Hurtubise holds a Bachelor of Commerce degree from the University of Calgary, an MBA from the Schulich School of Business at York University in Toronto, and is a Chartered Financial Analyst charter holder.

Name and Municipality of Residence	Independent[(1)]	Financially literate[(2)]	Relevant Education and Experience
Barry G. Sechos Sydney, New South Wales, Australia	Yes	Yes	Mr. Sechos is a corporate lawyer and currently a director of the Sherman Group, a privately owned investment company located in Australia, as well a director of several Australia and United Kingdom based companies involved in various industries. Former Director, Corporate and Administration of the Australian operations of Aberdeen Asset Management Limited (a public international funds management group, listed on the London Stock Exchange). Previously held various positions with iCash Payment Systems Limited, an Australia Stock Exchange listed ATM payments corporation. Mr. Sechos holds a Bachelor of Commerce in Accounting and a Bachelor of Laws both from the University of New South Wales.

Notes:

(1) The determination of whether a committee member is "independent" has been made by the DCPayments Board of Directors based on all information available to the DCPayments Board of Directors and representations made by the committee members to the DCPayments Board of Directors. NI 52-110 provides that a committee member is "independent" if he or she has no direct or indirect material relationship with the issuer where a "material relationship" is a relationship which could, in view of the DCPayments Board of Directors be reasonably expected to interfere with the exercise of a member's independent judgment.

(2) DCPayments has relied on representations from the individual audit committee members as to whether the committee member has sufficient education and experience to be classified as "financially literate".

Audit Committee Oversight

No recommendation of the audit committee made between January 1, 2014 (the beginning of DCPayments' most recently completed financial year) and the date of this annual information form to nominate or compensate an external auditor was not adopted by the full DCPayments Board of Directors.

Pre-Approval Policies and Procedures for Non-Audit Services

The audit committee has not adopted any specific policies and procedures for the engagement of DCPayments' external auditor to provide non-audit services except for setting a $150,000 limit on such services (i.e. management cannot exceed this amount except with audit committee approval). Therefore, all non-audit services provided by the external auditors over the $150,000 limit must be pre-approved by the audit committee before the services are provided.

External Auditor Service Fees

The following table sets out the auditor service fees billed by DCPayments' external auditors, KPMG LLP, Chartered Accountants, for the two annual periods indicated broken down into four different categories of fees.

TABLE OF EXTERNAL AUDITOR SERVICE FEES,
(National Instrument 52-110 (Audit Committees) Form 52-110F2 Disclosure)

Category of External Auditor Service Fee Involvement with DCPayments or Subsidiary	Billed in the Year Ended December 31, 2014	Billed in the Year Ended December 31, 2013
Audit Fees (Audit of combined financial statements)	$457,091	$455,500
Audit-Related Fees[(1)]	$0	$0
Tax Fees[(2)] (Planning and tax advice)	$301,528	$113,100
All Other Fees	$0	$0
TOTAL FEES	$758,619	$568,600

Notes:

(1) "Audit-Related Fees" are those fees for assurance and related services that are reasonably related to the performance of the audit or review of DCPayments' financial statements which are not reported as "audit fees".

(2) "Tax Fees" are those fees for tax compliance (2014 – $99,866, 2013 – $113,100), tax advice, and tax planning (2014 – $201,662, 2013 – $0).

RISK FACTORS

The following are certain risk factors relating to DCPayments, DCPayments Group and DCPayments' Business. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this document. DCPayments is organized to be a holding corporation of the various other entities in the DCPayments Group and is not directly running the DCPayments Business and therefore not directly subject to risks of the Business- however, since DCPayments derives its value and cash flow from the other entities in the DCPayments Group, the risks faced by DCPayments are effectively also faced by DCPayments Group. The risks and uncertainties described below are not the only risks and uncertainties DCPayments faces. Additional risks and uncertainties not currently known to DCPayments or that DCPayments currently deems immaterial also may impair DCPayments' business operations. If any of the following risks actually occur, DCPayments' Business, results of operations and financial condition, and the amount of cash available for distribution to holders of Common Shares, could suffer. In that event the trading price of Common Shares could decline and holders of Common Shares could lose all or part of their investment in Common Shares.

Competition and Technological Change

The ATM, Debit Terminal and Prepaid Products businesses are highly competitive. DCPayments' competitors include some of the major financial institutions in the jurisdictions where DCPayments conducts business that has greater financial and human resources and greater name recognition than DCPayments. As well, if existing or new competitors gain market share, DCPayments' business and operating results could be adversely affected. DCPayments' future and existing competitors could also introduce products with superior features and functionality at lower prices than the DCPayments' products, and could potentially bundle existing or new products with other more established products in order to compete with DCPayments. The introduction of new technologies, and any potential limitations or changes to DCPayments' Network or changes to security requirements could all have a materially adverse impact on DCPayments' Business. Competitors could also gain market share by acquiring or forming strategic alliances with other competitors. If existing or future competitors seek to gain or retain market share by reducing margin on products sold, DCPayments may also be required to reduce DCPayments' margins or DCPayments' fee structure or increase amounts payable to third parties, retailers, sales agents and resellers, which may reduce DCPayments' revenue and funds from operations.

The introduction of mobile payments (m-payments) could have a significant impact on the demand for DCPayments' services. Mobile payments are a substitute to traditional payment methods such as cash, Credit Card or Debit Card. Mobile payments were estimated to increase from 4.6 billion global transactions in 2010 to 15 billion in 2013. The widespread adoption of mobile payments could adversely impact the profitability of DCPayments.

Foreign Exchange & Currency Fluctuations

DCPayments' payments to Shareholders and debt holders are denominated in Canadian and Australian dollars. However, a significant portion of DCPayments' revenues and expenses are denominated in foreign currencies, including United States dollars, Australian dollars, Mexican Peso and British pounds. As a result, DCPayments is exposed to currency exchange rate risks. Exchange rates may vary substantially and may give rise to favourable or unfavourable foreign currency exposure. There can be no assurance that any arrangements to mitigate this exchange rate risk will be sufficient to fully protect against this risk. If hedging transactions do not fully protect against this risk, changes in the currency exchange rate between Canadian dollars and the foreign currencies in which DCPayments operates could adversely affect DCPayments' ability to pay dividends and discharge interest obligations and its financial position.

DCPayments is operating in foreign countries (i.e. Australia, United Kingdom, and Mexico) and with foreign currencies and is therefore subject to exchange rate risk. Where DCPayments has investments in foreign jurisdictions (i.e. investments in ATMs, fixed assets, cash loaded into foreign ATMs) the value of those assets when converted into Canadian dollars for the purposes of financial reporting may go up or down from time to time (depending on the direction of change in relative currency values) resulting in foreign currency gains or losses for DCPayments. Similarly, the Canadian equivalent of revenues earned in foreign jurisdictions can go up or down depending on the direction of change in relative currency values. While DCPayments' business is still predominately carried on in Canada, if the business operations outside of Canada (e.g. Australia, United Kingdom, Mexico, and USA) increase substantially this could change the magnitude of the currency risks that DCPayments faces.

Key Personnel

Traditionally, DCPayments has been dependent on a relatively small number of key officers and employees, the loss of any of whom could have an adverse effect on DCPayments' Business. Due to the technical nature of the DCPayments Business, DCPayments is dependent upon its ability to continue to attract and retain qualified management, marketing, information technology and technical personnel. There is competition for qualified personnel in the DCPayments Business and in related businesses and there can be no assurance that DCPayments will be able to continue to attract and retain qualified personnel necessary for the development of DCPayments' Businesses.

Reliance on DC Bank to Offer Services

Pursuant to the DC Bank Agreement, DCPayments relies on DC Bank to use its transaction processing and technology services in order to generate a service fees from DC Bank's customers. DCPayments and the DCPayments Group have agreed to use the exclusive services of DC Bank. See "*General Description of the Business – Relationship with DC Bank*". DC Bank has the right to terminate DC Bank's agreement with DCPayments if any adverse government or bank regulator action occurs which impairs the ability of DC Bank to continue providing banking access services as contemplated by the agreement. If DC Bank were to terminate the DC Bank Agreement, DCPayments' would be negatively affected and DCPayments and the DCPayments Group may be required to utilize the services of another financial institution to carry on the Business.

Clients, Contracts & Market Saturation

Certain large clients represent significant portions of DCPayments' revenue. The loss of only a small number of these large clients could significantly and negatively affect DCPayments' revenue, profitability and cash flow. Legislative changes in Canada and abroad have impacted the business of certain of DCPayments' clients in the payday loan industry and further legislative changes could further impact and reduce revenues derived from such clients.

DCPayments may be unable to maintain and expand DCPayments' customer base and may not be able to renew DCPayments' and Threshold's contracts on the same or similar terms and conditions as that which presently exist. The ATM and Debit Terminal markets may reach saturation and organic growth may be limited to market size. As well, DCPayments' profitability may be affected by a number of factors including the expiry or termination of existing contracts, processing contracts or Card management contracts. DCPayments may not be able to enforce the terms of certain of DCPayments' contracts depending on the laws of the applicable jurisdiction.

Reliance on Material Customers

In certain segments of DCPayments’ business, namely the Prepaid Cards segment and the contracts acquired pursuant to the Threshold Acquisition, DCPayments relies on a small number of customers for a material portion of that business. There can be no assurance that DCPayments’ relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by additional sales to new or existing customers, could have a material adverse effect on DCPayments’ business, financial condition, results of operations and cash flows.

Vault Cash Rental Arrangements

The need to rely on banks to provide cash to load in DCPayments' ATMs under bailment terms and conditions, including under the Vault Cash Rental Agreements (also commonly referred to as bailment agreements), cannot be assured to: (i) meet DCPayments’ needs; (ii) be on attractive terms; and/or (iii) allow for growth of DCPayments. These arrangements could be terminated, changed or eliminated, which would have a severe impact on DCPayments' Canadian and international operations. These contracts also require DCPayments to use specific cash carriers that may not be cost effective. DCPayments is also responsible for losses and must carry insurance that may not be cost effective or available.

Interest Rate Fluctuations

DCPayments' debt fluctuates from time to time and DCPayments pays interest on DCPayments' debt on floating interest rates. Accordingly, any increase in rates may have a negative impact on profitability.

Dependency on Networks and Other Counterparties for a Number of Contracts and Business Arrangements

DCPayments depends (directly or indirectly) on a number of Networks and counterparties in the conduct of DCPayments' Business, including, but not limited to, Interac Association, MasterCard, VISA, Plus, Cirrus, Moneris Solutions Corp., Bank of Montreal, Royal Bank of Canada, Shaw Communications Inc., The DPL Group, Telus Communications Inc., DirectCash Bank, Inkas Finance Corp., First Island Armoured Transport (1998) Ltd., Armoured Transport Ltd. (dba Security Group), Multiva Bank in Mexico, ACI Worldwide Inc. (formerly S1 Corporation), Bell Canada, Brink's Canada Limited, DataCard Corporation, Digital Products Limited (DPL Systems), Ficanex Services Limited Partnership (by its general partner, Ficanex Services Corp. – EXCHANGE Network), Fiserv, Inc. (formerly Carreker Corporation), Gemalto Canada Ltd., IBM Canada Ltd., Inetco Systems Limited, Ingenico Canada Ltd., NCR Canada Ltd., Rogers Business Solutions (a division of Rogers Cable Communications Inc.), The Diebold Company of Canada Ltd., Prosa, Rogers Telecom Inc., Indue Ltd., Ineda Limited, Fidelity National Information Services Inc., Strategic Payments Services, First Data Corporation, Telstra Corporation Limited, Optus Pty Ltd., Transaction Network Services Australia Pty Ltd., Armaguard Pty Ltd., Prosegur Australia Pty Ltd., Canadian Imperial Bank of Commerce, Bendigo and Adelaide Bank Limited, Bank of Queensland Limited, Symstream Technology Group Ltd., National Australia Bank Limited, Paymark Limited, Westpac Banking Corporation, Link Interchange Networks Ltd., VocaLink Ltd., BT Global Services, Vodafone PLC., Coutts Bank, G4S PLC., Sunwin Services Group Ltd., Cooperative Bank, Santander Group and equipment and software vendors such as Cisco Systems, Microsoft Corporation. There can be no assurance that any of these counterparties will be able to continue to perform their respective obligations and contracts or that DCPayments will be allowed to continue its memberships with applicable Networks. An interruption in or the termination of any contract or business arrangement by any counterparty (including, in relation to DCPayments' access to Networks, the supply by banks of cash for DCPayments' ATM cash loads, the use of DCPayments' own employees to load DCPayments' full placement ATMs, and the DCPayments' inability to make alternative arrangements in a timely manner, or at all), could have a material adverse effect on DCPayments' Business, financial condition and operating results. In addition, DCPayments periodically negotiates renewal terms for these contracts, business arrangements and memberships and there can be no assurance that such renewal terms will remain acceptable to DCPayments or any such counterparty or Network. An interruption in DCPayments' relationship with certain of these counterparties could materially adversely affect DCPayments' ability to process ATM, direct payment terminal, Prepaid Card, prepaid cellular, prepaid long distance, and prepaid land line transactions. If DCPayments were to lose DCPayments' access to Interac Association or MasterCard memberships, this would immediately result in a material adverse effect to DCPayments' business. DCPayments is also a large user of and DCPayments' communication and processing systems are dependent on hardware and software sourced from Cisco Systems Canada Co. There can be no assurance that DCPayments would be able to find alternate supplies or sources of distribution in a timely manner.

Loan Companies and Regulatory Changes Applicable Thereto

The majority of the customers for DCPayments' Prepaid Cards are payday loan and cheque cashing companies, and this industry is subject to a large number of class action lawsuits which could adversely impact the volume of business that DCPayments realizes from these companies. Most jurisdictions in which DCPayments operates have passed legislation and/or regulations to regulate the payday loan industry (including setting maximum fees and interest for payday loan operators). Some of these regulations include regulations on how payday loan operators may use Prepaid Card to fund payday loans. Most of the Canadian Provinces have now set maximum regulated interest/fee levels. In some of those jurisdictions where maximum interest/fees have been set, some payday operators have complained that the maximum rates and charges set are too low. As a result, there is a possibility that some pay day operators might decide to discontinue operations in some jurisdictions if either: (a) criminal prosecutions or civil law suits (in Provinces where Section 347 of the Criminal Code of Canada, which limited interest of greater than 60% per annum unless requested by the Provinces, still applies); or (b) compliance with Provincial pay day loan regulatory requirements (in Provinces exempted from Section 347), make continued operations unprofitable. If any of DCPayments' larger Prepaid Card merchant customers involved in the pay day loan business were to cease operations in all of Canada or in particular Provinces this could negatively impact DCPayments' revenue in the Prepaid Card business. DCPayments has been named in class action law suits related to payday loan operators (whether or not there is legal basis for recovery against DCPayments) and there is a risk that DCPayments may be named in additional class action law suits. If regulations, provincial or otherwise, create rules that limit the ability to offer Prepaid Card, it could affect DCPayments' income. If any of these customers become insolvent, ongoing litigation could vest in the hands of solvent dependants to such actions.

Possible Failure to Realize Anticipated Benefits of the Eze and Threshold Acquisition

DCPayments completed the Eze Acquisition to strengthen its position in the ATM industry and completed the Threshold Acquisition to expand into the CUFI Business and to create the opportunity to achieve the anticipated benefits. Achieving the benefits of the Eze Acquisition and Threshold Acquisition depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on DCPayments' ability to realize the anticipated growth opportunity and synergies from combining the Threshold business and the Eze Business and operations with those of DCPayments. The integration of the businesses acquired in the Threshold Acquisition and the Eze Acquisition require the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect DCPayments' ability to achieve the anticipated benefits of the Threshold Acquisition or the Eze Acquisition. In addition, as a result of recent acquisitions, DCPayments has (directly or indirectly) retained certain management personnel related to the acquired businesses, each of whom DCPayments (and its subsidiaries) rely on for the effective management of the respective businesses, the loss of whom could have an adverse effect on DCPayments.

Completion of the DC Bank Acquisition is Subject to Certain Conditions

There can be no certainty that all conditions precedent to the acquisition of DC Bank, including all regulatory, governmental and other approvals and consents, will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. Failure to complete the acquisition of DC Bank could materially negatively impact the price of the Common Shares. The completion of the acquisition of DC Bank is subject to a number of conditions precedent, some of which are outside of the control of DCPayments and DC Bank, including the approval of the Minister of Finance (Canada), the TSX and the Office of the Superintendent of Financial Institutions. There can be no certainty, nor can DCPayments, nor DC Bank, provide any assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied.

International Operations

DCPayments carries on international operations in Australia, New Zealand, United Kingdom and Mexico. DCPayments could in the future establish or acquire additional businesses in other jurisdictions outside Canada. Foreign operations of DCPayments are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, managing businesses under unfamiliar legal and regulatory regimes, difficulty in exercising control and implementing decision making through employees that are located greater distances from head office, local consumer resistance to "foreign" owned competitors, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, restrictions on dispensing of foreign currencies, and changing political conditions, currency controls and governmental regulations that favour or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in investment policies or shifts in political attitude in a foreign jurisdiction where DCPayments is operating may adversely affect the operations or profitability of DCPayments in that foreign jurisdiction. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, price controls, export controls, currency remittance, income taxes, expropriation of property, and foreign investment. Employees and consultants retained by DCPayments in these jurisdictions (particularly cash loaders) can be subject to higher risk of threats to personal safety because of higher crime rates in some jurisdictions. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of DCPayments. In Australasia and the United Kingdom some of these risks and uncertainties are less prevalent because each of Australasia and the United Kingdom have more established and stable economies and banking systems.

Also, the majority of DCPayments' ATMs in Mexico are located in tourist areas where the users are likely to be tourists - therefore, a reduction in tourist visits to these parts of Mexico could result in a reduction of transaction volume for DCPayments.

Regulatory Regime (General - All Jurisdictions)

The profitability of the Business will be in part dependent upon the continuation of a favourable regulatory regime with respect to the continuing operations and the future growth and development of independent ATM, Debit Terminal and Prepaid Card operators. Should the regulatory regime or the interpretation of the legislation in an applicable jurisdiction be modified in a manner which adversely affects independent operators, including increases in taxes or increased regulatory burdens (including burdens imposed by MasterCard, VISA, Plus, Cirrus, Maestro, Interac (Canada), Canadian Payments Association, LINK (United Kingdom), APCA (Australian Payments Clearing Association), and Australian Bilateral ATM Systems), DCPayments' profitability may be adversely affected. The failure to obtain all necessary licences or permits, including renewals thereof or modifications thereto, may adversely affect profitability.

If the Networks (e.g. those listed in the prior paragraph) change their rules to alter the financial terms under which acquirers and issuers operate, such a change could have an adverse effect on DCPayments' profitability (or a positive effect, depending on the direction of the change). Some examples of the types of financial terms that the Networks have the power to change under their rules include, changing of amounts of interchange that is paid to/by Card Issuers or transaction acquirers, adjusting the fees paid by Card Issuers and/or transaction acquirers to the Network, creating new fees or levies charged to Card Issuers and/or transaction acquirers, changing the rules for allocating the liability for fraudulent transactions and their associated costs, changing the requirements for connecting to the Network for transaction processing, eliminating or restricting the use of surcharging, allowing non-financial institution members to deploy or process transactions, increasing Network association fees charged to Card Issuers or transaction acquirers, changing their rules so that different rules/fees apply to financial institutions versus non-financial institution terminal deployers or processors, and changing or adding new monetary sanctions for breaches of Network rules. If such changes result in increased costs or decreased revenue for DCPayments, DCPayments may or may not be able to recover the difference by altering the terms of the contracts DCPayments has with DCPayments' customers (or DCPayments may not be able to make the necessary adjustments until the terms of existing contracts reach the end of their current term).

If Interac, MasterCard or VISA mandate a hardware or software security upgrade for ATMs, Debit Terminals or the DCPayments Switch, or change the rules and regulations around approved devices, members or security, profitability may be adversely impacted.

Security upgrades are required under Interac, MasterCard, and VISA rules. These upgrades include the requirements to have: (a) EMV (Europay, MasterCard, VISA) certified chip Card (the replacement technology for the historical magnetic stripe Cards) software/readers, and (b) Network approved encrypted PIN pad devices, installed on all ATMs and Debit Terminals thereby providing the ability to accept EMV chip Card transactions. This will also require upgrading of switching software/hardware in those countries where DCPayments operates its own switch to process EMV chip Card transactions, and adding additional encryption methods to ATMs and Debit terminals which include Triple Des Encryption. The specific requirements for particular upgrades and the deadlines by which the upgrades must be completed vary by jurisdiction. Not meeting set deadlines could require that particular devices (or entire Networks of devices) be disconnected until they do comply - which would result in lost revenue and potentially the termination of site contracts if such disconnections breach the contracts. DCPayments' understanding of the deadlines in Canada mandated by Interac and MasterCard for conversion of ATMs and Debit Terminals (i.e. to read the EMV microchip on a Card rather than a magnetic stripe) are as follows: (a) All ATMs must have been upgraded with an EMV certified chip PIN entry device by December 31, 2012; and (b) 35% of Debit Terminals must have been upgraded with an EMV certified chip PIN entry device by December 31, 2010, 60% must have been upgraded by December 31, 2012, and 100% must be upgraded by December 31, 2015. As of the date hereof, all of DCPayments’ Canadian ATMs have been upgraded and over 90% of DCPayments' Canadian Debit Terminal fleet was EMV capable. The remainder of the Canadian Debit Terminal fleet is scheduled for normal end-of-life replacement within the EMV rollout timetable.

EMV Security upgrade deadlines mandated by MasterCard for conversion of ATMs and Debit Terminals in Australia are as follows: (a) 100% of ATMs must be upgraded by December 31, 2015; and (b) 100% of Debit Terminals must have been upgraded with an EMV certified chip PIN device by April 30, 2013. As of the date hereof, (a) over 50% of DCPayments' Australia ATM fleet was EMV capable, with these terminals requiring only a minor software upgrade to achieve full EMV compliance, and (b) over 44% of DCPayments' Australia ATM fleet requiring a minor hardware and software upgrade to achieve full EMV compliance. The remainder of the fleet is scheduled for normal end-of-life replacement within the EMV rollout timetable.

VISA's Canadian rule changes do not require a switch to the new technology by any particular date. However, both MasterCard and VISA rules provide that after March 31, 2011, certain liabilities (i.e. in respect of transaction errors or frauds) will be reallocated to industry participants who are still accessing the MasterCard and VISA Networks using non-upgraded equipment, Cards or software.

The result of non-compliance can include penalties, fines, sanctions and contractual penalties by the applicable Network(s) and ultimately disconnection of the ATM and Debit Terminal device or Card from the Network for failure to comply by the end dates. DCPayments has and will be investing maintenance capital and tasking DCPayments' IT department to meet these upgrade deadlines. As of December 31, 2013, DCPayments has met all of the Canadian EMV requirements noted above. Customers of

DCPayments who own their own equipment are encouraged to make the necessary changes to their equipment and in some cases DCPayments has the contractual right to make the necessary changes for the customer (and charge the customer for the cost of the change).

DCPayments relies on third party manufacturers and suppliers to provide the software and hardware upgrades necessary to complete the required EMV security upgrades in each Jurisdiction. A failure by any one of these manufacturers/suppliers to deliver the required software/hardware updates to DCPayments may impact on DCPayments ability to meet the various jurisdictional deadlines associated with the mandated EMV security upgrades.

Incorporating the EMV chip technology has increased the cost of manufacturing a Card for use on the Networks. Since DCPayments must acquire and distribute numerous Cards in DCPayments' Prepaid Card business, an increase in Card production costs will negatively affect DCPayments if DCPayments is not able to pass on the increased Card cost through higher fees to customers.

In November 2013, a new international financial consumer protection organization ("**FinCoNet**") was established as a supervisory authority to replace the informal network of supervisory authorities which has existed for a number of years. FinCoNet will be focusing on banking and consumer protection issues and will work closely with the Organization for Economic Co-operation and Development. With a formal international structure, any new rules and regulations or pressure on national supervisory authorities from FinCoNet could negatively impact DCPayments' profitability.

Regulatory Regime (Canada)

In Canada, DCPayments has agreed to indemnify DC Bank from certain losses/costs that DC Bank may incur as a result of DC Bank's involvement in issuing Prepaid Cards to DCPayments' customers. The format and technology incorporated into the Prepaid Cards that DC Bank issues to DCPayments' customers is determined by agreement between DCPayments and DC Bank from time to time. If DCPayments/DC Bank were to choose not to issue EMV enabled Prepaid Cards then the liability in respect of transactions errors or frauds would become DCPayments' responsibility (through DCPayments' indemnity of DC Bank).

DCPayments' operations are subject to a variety of federal laws, provincial laws and the rules of various Networks, including Interac, Cirrus, Maestro, VISA and Plus. Also, DCPayments or the entities with whom DCPayments contracts are subject to the jurisdiction of various government agencies and departments, including the Office of the Superintendent of Financial Institutions, the Canadian Payments Association, Canadian Deposit Insurance Corporation, Financial Transactions and Reports Analysis Centre of Canada, and the offices of Provincial privacy commissioners. Any arrangements between any member of the DCPayments Group and DC Bank (i.e. transactions between "related parties" and "outsourcing" arrangements) are also subject to regulation/scrutiny by the Office of the Superintendent of Financial Institutions as the regulator of federal banks. Some of the more common areas where regulatory compliance can become relevant to operation of DCPayments' business include (a) anti-money laundering requirements which includes reporting of suspicious transactions and checking of customer names against various lists of terrorist organizations, (b) know your client requirements (c) fee disclosure requirements, (d) identification of politically exposed foreign persons and collection of additional information regarding politically exposed foreign persons transactions. Although the cost of compliance with such requirements historically has not been material to DCPayments, such laws or regulations are subject to change and accordingly, it is impossible to predict the cost or impact of such laws or regulations on its future operations. Each of the Networks, the Canadian Payments Association and other regulators are constantly reviewing, revising and updating their rules and regulations with a view to addressing and regulating new business practices, the needs of the marketplace and generally to meet their public interest mandates. Recently some provincial governments have chosen to legislate provincial anti-money laundering requirements (in addition to those already legislated under federal legislation). If any of the Networks or government agencies that regulate financial institutions change their rules (or their interpretation of the rules) so as to increase the administrative burdens necessary to operate DCPayments' Prepaid Card program (for example, requiring that each DCPayments Prepaid Card customer become a customer of the financial institution and provide the necessary information to open and maintain a separate deposit account), such changes/increased costs could negatively impact cash distributions. If other legislation not directly dealing with financial institutions (for example, the Tax Rebate and Discount Act (Canada)) or legislation similar to the legislation introduced to regulate "gift" cards, is passed to restrict or limit the ability to charge fees on Prepaid Cards, this may make the use of Prepaid Cards in such applications uneconomic (or reduce DCPayments' per Card profitability in such applications), and thereby possibly reducing DCPayments' cash flow.

The Financial Consumer Agency of Canada has changed the regulation of Prepaid Cards, limiting the types of fees and when they can be charged. This could impact DCPayments' revenues if DCPayments cannot compensate with other fees or revenue sources.

There have been proposals put forward in the past by members of Parliament with respect to the Canadian banks reducing or eliminating surcharging at ATMs owned by the banks. Although, the banks have not agreed to reduce or eliminate surcharging at ATMs owned by the banks, if the banks did voluntarily agree to such reductions or if the government passed legislation banning or limiting Surcharge Fees, this could result in a substantial loss of revenues for DCPayments. The NDP has recently proposed that ATM fees be capped at $0.50 per transaction at all ATMs. However, this proposal has not been incorporated into any Government of Canada federal budget. Although DCPayments is not aware of any pending legislation to ban or limit surcharge or interchange amounts, such legislation could have a negative impact on DCPayments' revenues and business model if it applies to DCPayments' ATMs. Other countries (for example Australia) have eliminated the "interchange" fees associated with ATM use with the result that the "surcharge" fees have had to be increased to make up for the loss of the Interchange Fee. A higher Surcharge Fee (which is more visible to the ATM user) may have the effect of reducing transaction volumes on white label ATMs (and incenting Card holders to only use the ATMs of their Card issuing bank which are typically provided "surcharge" free). Surcharge fees are typically shared by DCPayments with merchants and other third parties but Interchange Fees are typically not shared. Further, not all ATM site contracts provide for a mechanism that would allow DCPayments to unilaterally increase the Surcharge Fee (and keep the increase) to compensate DCPayments for loss of the Interchange Fee.

Regulatory Regime (Australia)

Under amendments made by the *Gambling Regulation Amendment (Licensing) Act 2009* (Victoria), ATMs have not been permitted in approved gaming venues in Victoria, Australia since July 1, 2012, unless specifically approved by the Victorian Commission for Gambling and Liquor Regulation. This resulted in DCPayments having to remove some ATMs in some locations.

In April 2014, the Social Services and Other Legislation Amendment Bill was passed by the Australian Parliament which amended the former Gambling Measures Act of 2012. The effect of the legislation was to remove the federal requirement for ATM withdrawal limits. Another key component of this legislation passed regulatory control regarding withdrawal limits and other aspects of providing ATM services in pubs and clubs back to the responsibility of state and territory governments. An example of this is in South Australia and the Australian Capital Territory each of which have separately legislated for a requirement to maintain the ATM withdrawal limit in gaming venues in both jurisdictions. As of December 31, 2014 approximately 17.1% of DCPayments fleet of Australian convenience ATMs were located in gaming venues.

The New South Wales Parliament's Legislative Council has established a select committee to inquire into gambling in New South Wales. This is intended to be an extensive enquiry held over a number of months which will examine a wide range of issues relating to gaming and is likely to include the impact of ATMs in gaming venues.

In 2014 Clubs Australia successfully applied to the Australian Competition and Consumer Commission ("**ACCC**") for authority to collectively bargain on behalf of its members. This included the ability to negotiate contract terms for utility services and common service contracts including ATMs. The ACCC granted an authorization and as a result, Clubs Australia, on behalf of its current and future members, sought authorization to collectively bargain, predominantly through the use of standard contracts and direct negotiation, with various suppliers of goods and services supplied to registered clubs across Australia. These services included ATM contracts. On March 6, 2014 the ACCC issued a determination granting authorization to the arrangements for a period of five years. The effect of the authorization has seen a small number of individual clubs prescribe the use of a standard Clubs Australia ATM agreement in order to contract for services.

In October 2013, the Reserve Bank of Australia and the Australian Payments Clearing Association issued a discussion paper on the formation of an Australian Payments Council (the "**APC**"). If formed, the APC would have a broader focus than just financial institutions and would potentially incorporate payment system operators, non-bank institutions and other innovators and payment facilitators. Although the APC would not have any binding powers over industry participants, the formation of the APC signifies a move to more integrated regulation of the industry and could potentially adversely impact DCPayments' profitability.

In August 2014, the Australian Payments Council (the "**APC**") was established with the support of the Reserve Bank of Australia and the Australian Payments Clearing. The APC will foster the ongoing development of the Australian payments system to ensure it continues to meet the changing needs Australian businesses and consumers with innovative, secure and competitive payment services. The APC will have a payments council (the "**Payments Council**") that will identify strategic industry issues and emerging trends through constant scanning of the dynamic payments environment. Although the APC does not have any binding powers over industry participants, the formation of the APC signifies a move to more integrated regulation of the industry and could potentially adversely impact DCPayments' profitability.

Regulatory Regime (United Kingdom)

European Commission issued a proposal in July 2013 to amend the existing PSD resulting in so-called "**PSD 2**". PSD currently harmonizes the requirements for the provision of payments services in Europe, including in the United Kingdom, by "payment service providers" (institutions that are not banks, building societies or e-money providers). Under the PSD, such payment service providers are subject to a licensing regime and capital requirements, but there is an exemption for the payment services offered by deployers of ATMs independent from banks or other payment services provides. However, the European Commission's proposed amendments in PSD 2 delete the existing exemption for independent ATM providers. If this proposal is followed, then the operator of the United Kingdom's ATM business will be required to comply with PSD 2 and become authorized or registered by the United Kingdom's regulator, the Financial Conduct Authority (the "**FCA**"), to carry out payment services. If implemented, PSD 2 could have a negative effect on DCPayments' ATM business in the United Kingdom. There is also the risk that there may be further changes to PSD 2 which may adversely impact the ATM business in the United Kingdom, which risks cannot currently be ascertained. PSD 2 could be adopted in the first half of 2015 and be implemented in national legislation within two years after its adoption.

In October 2013, the United Kingdom's Treasury tabled amendments to the United Kingdom's Banking Reform Bill that create a new competition-focused, utility-style payment systems regulator which will be fully operational on April 1, 2015 (the "**PSR**"). It is a separate body overseen by the FCA and has a discrete set of objectives, duties and powers. Among other powers, the PSR will be able to require the owners of a designated payment system to divest their ownership stake, require changes to the rules of operation of the payment system or require amendment to commercial agreements. These are fundamental changes to the regulation and operation of the U.K.'s payment system that will have an impact on DCPayments' ATM business in the U.K. Each of the bank and card schemes, which include LINK, will be required to fund the costs of PSR and the first call of fees is scheduled for July 2015. As it is a member of LINK, this will add new costs to DCPayments based on its share of issued and acquired transactions.

While the PSR will not publish its final policy statement until the end of March 2015, in November 2014, it published a consultation paper explaining how it proposes to regulate the £75 trillion payments industry in the United Kingdom and which types of undertaking will fall under its regime. Some of the PSR's core proposals from its consultation paper are:

- To drive collaboration and deliver innovation, the PSR will introduce a new approach to industry strategy setting by creating a Payments Strategy Forum with broad service-user representation.
- Ownership, control and governance of payment systems will be opened up to give all service-users a voice when decisions are made, not just those that own the systems (typically the major banks). Publishing board minutes and votes will be mandatory. Payment system operators will also need to identify and address conflicts of interest. From September 30, 2015, operators will need to annually report back to the PSR on how they have improved these areas.
- There will be fairer and more open direct access to payment system operators. LINK, MasterCard and Visa, which are already subject to access requirements under Article 28 of the European Payment Services Directive, must also publish their requirements. From June 30, 2015 all operators will have to report annually showing how they are complying with their relevant access rule.

In December, 2013, the Bank of England announced its decision to move to polymer banknotes. The aim is to introduce the next £5 banknote in 2016 and the £10 banknote in 2017. Polymer banknotes are cleaner, more secure and more durable than paper banknotes. The extent of the impact to the United Kingdom ATM business is currently unknown though polymer banknotes may be a different size in some instances which will cause DCPayments to have to replace the cassettes in certain ATMs. In July, 2013, the Bank of England specified requirements for the authentication of ATM dispensed banknotes. These requirements call for Bank of England banknotes dispensed through an ATM that is cash-loaded by the retailer or third party be locally authenticated by machines that have passed the Bank of England's Framework for the Testing of Automatic Banknote Handling Machines. Starting in March 2016 a note checking machine will be required to be included with every ATM that has 150-500 cash transactions a month and is cash-loaded by a third party and all ATMs regardless of monthly transaction volume or cash loading will be required to include a note checking machine by September 2016.

There have been some public discussions regarding the reduction or elimination of surcharging at ATMs. However, DCPayments is not aware of any pending legislation to ban or limit surcharges and there is no current government policy to phase out pay-to-use ATMs. Such legislation, if implemented, could have a negative impact on DCPayments' revenues and business model if it applies to DCPayments' ATMs.

Liabilities from Acquisitions

Part of DCPayments' business strategy includes pursuing acquisition opportunities in the ATM, Debit Terminal and Prepaid Products industries. While DCPayments' acquisition process typically includes extensive due diligence on the business or assets to be acquired, and DCPayments' acquisition agreements typically include detailed representations and warranties respecting the business or assets being acquired, there can be no assurance that DCPayments would not become subject to certain undisclosed liabilities in proceeding with such transactions. DCPayments has also completed a number of acquisitions and there may exist liabilities associated with the acquired assets that DCPayments failed or was unable to discover in DCPayments' due diligence prior to the consummation of these acquisitions. To the extent that prior owners of businesses failed to comply with or otherwise violated applicable laws, DCPayments, as a successor-owner, may be financially responsible for these violations. The discovery of any material liabilities could have a material adverse effect on DCPayments' Business, financial condition and future prospects.

If DCPayments completes acquisitions by acquiring the shares of the entity operating a business (as opposed to acquiring assets), then the liabilities of the acquired entity (as a matter of law) are also acquired. If the shares of the entity are being acquired from a single or small group of sellers in a private transactions DCPayments may be able to obtain some protection from specified liabilities by negotiating for specific representations and indemnities related to liabilities. However, if DCPayments were to acquire the shares of a publically traded corporation or an entity with a large number of shareholders, then it may not be possible to negotiate for effective protection through specific representations and indemnities.

When considering potential acquisitions DCPayments may have to expend significant amounts of funds and use internal resources to negotiate the acquisitions, conduct due diligence on the acquisitions, obtain third party reports concerning the acquisitions, and retain investment bankers, lawyers and accountants to assist with the negotiation of the transaction. If a proposed acquisition is not completed for any reason, these costs are incurred (and have to be paid by DCPayments) even though DCPayments does not get the benefits associated with completing the acquisition.

Credit Facilities & Borrowing

DCPayments is required to comply with covenants under DCPayments' credit facilities which include certain financial ratio tests, which from time to time either affect the availability, or price, of additional funding. DCPayments' main credit facilities are guaranteed by all of the other entities in the DCPayments Group with material assets. DCPayments' Term Loan and Revolving Facility (and the guarantees of those facilities) are secured by security interests charging substantially all of DCPayments' assets. The failure of DCPayments to comply with covenants under DCPayments' credit facilities (which failure might be caused by events beyond DCPayments' control), could result in the default under the credit facilities which could result in DCPayments being required to repay amounts owing thereunder on an accelerated basis. Even if DCPayments is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to DCPayments. If DCPayments is unable to repay amounts owing, the lenders under the credit facility could proceed to foreclose or otherwise realize upon the guarantees/security interests/collateral granted to them to secure the indebtedness. The acceleration of DCPayments' indebtedness under one agreement may permit acceleration of indebtedness under other agreements (with the same lenders or different lenders) that contain cross default or cross-acceleration provisions. In addition, the credit facilities impose operating and financial restrictions on DCPayments, restrictions on the payment of dividends, repurchase or making of other distributions with respect to the DCPayments' securities, incurring of additional indebtedness, provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, and other restrictions common to large credit facilities.

Network and Internal Fraud

If a fraud occurs on any of the Networks or in the DCPayments Network, this could result in a cost to DCPayments if it is determined that the breach is a result of DCPayments' negligence or failure to follow Network rules or regulations (or where the fault is not DCPayments' but the perpetrator of the fraud cannot be located or cannot be collected from). As new methods of intrusion and fraud emerge in the industry, DCPayments may have to incur significant additional costs to implement additional security precautions (which may be undertaken by DCPayments voluntarily or as a result of Network rule changes). Furthermore, the occurrence of frauds can result in a loss of consumer confidence which may result in declining transaction volumes at ATMs and Debit Terminals. Any of these circumstances could lead to DCPayments' cash flow being adversely impacted.

DCPayments employs a significant number of employees and contractors that have access to DCPayments' systems and infrastructure and if one or more of these individuals in key control positions were to perpetrate a fraud (for example, relating to settlement of transactions, altering account deposit details, changing customer charging details, fraudulently ordering cash to a non DCPayments location, or creating fake accounts), this could have a negative impact on DCPayments' cash flow. DCPayments has significant internal controls and monitoring in place to detect any of these possible activities, and DCPayments requires dual entry for many of the encryption key loading and control processes related to the cash settlement process.

Software Viruses and Network Intrusion

DCPayments maintains many different networks and management information systems (some of which are interconnected) and some of which are connected to the internet or to other external networks. DCPayments may be susceptible to viruses and network intrusions by third parties. Furthermore, network intrusions that occur on outside networks (or the internet) that DCPayments connects to can spread to DCPayments. Any intrusion or virus could impact the performance of the transaction processing capabilities of DCPayments and in a worst case scenario could require temporary shutdown of the affected systems (and the related services offered by DCPayments), and compromise information about customers, users and employees. Systems that are accessed through the internet are also subject to "denial of service" attacks - these attacks do not involve an intrusion into the system but can effectively make the systems unavailable to DCPayments' customers/employees. DCPayments maintains significant and complex security policies and procedures to manage these risks, some of which include intrusion detection software, virus monitoring software, IP blocking, IP tracking software, complex encryption for transactions, network monitoring and reporting solutions as well as application and data base level restrictions and controls through network design and implementation.

Disaster Recovery

For Canadian operations, DCPayments has a limited Disaster Recovery Site for in DCPayments' Toronto office and DCPayments maintains redundancy in DCPayments' Calgary facility where there is a backup generator and UPS (uninterruptible power source or battery backup) device. For Australia operations, DCPayments utilizes a third party transaction processor for transaction processing which operates on an Active Site/Standby Site model. For European Operations, DCPayments utilizes a third party transaction processor for transaction processing which operates on an Active Site/Standby Site model. For DCPayments' business records (i.e. various types of electronic files and records (for example, such as document files, spreadsheets, email records, etc.)), these files (depending on the type and location) are backed up daily/weekly/monthly and copies are periodically moved off site where necessary. Regardless of the backup and recovery sites maintained by DCPayments, it may not be possible to effectively transition on a timely basis all of DCPayments operations and functions to the applicable backup systems or alternative recovery sites in the event of disaster or equipment failure. Also, many aspects of the DCPayments business involve interconnection with other third party Network participants and service providers - a failure in the backup or disaster recovery systems of those third party participants/providers would negatively impact DCPayments. Help desk and telephone customer support require a location for the call centre personnel and a telephone system for routing of inquiries - currently, DCPayments does not maintain alternative backup sites for call centre operations.

Transaction Volumes

DCPayments' revenues are largely dependent on (a) transaction volumes at ATMs and Debit Terminals, (b) the number of transactions performed using Prepaid Cards, (c) the number of prepaid cellular and long distance transactions; and (d) transactions from CUFI Business. If these transaction volumes decrease with the proliferation of additional ATMs and/or Debit Terminals in the market, DCPayments' revenues and profitability will be negatively impacted.

Global Financial Crisis

Deterioration in global credit markets, as well as changes in legislative and regulatory requirements, could have a negative impact on financial institutions that DCPayments conducts business with. DCPayments has a significant number of customer and vendor relationships with financial institutions in all of DCPayments' key markets, including relationships in which DCPayments provides services for ATMs that are financial institution branded. Additionally, DCPayments relies on a small number of financial institution partners to provide DCPayments with the cash that DCPayments maintains in ATMs. Turmoil in the global credit markets in the future (such as that recently experienced in 2007-2008), may have a negative impact on those financial institutions and DCPayments' relationships with them. In particular, if the liquidity positions of the financial institutions deteriorate significantly, these institutions may be unable to perform under their existing agreements with DCPayments. If these defaults were to occur, DCPayments may not be successful in DCPayments' efforts to identify new vault cash providers and cash providers, and the underlying economics of any new arrangements may not be consistent with DCPayments' pre-crisis arrangements.

Corporate Structure

DCPayments is dependent upon cash dividends, distributions or other transfers from DCPayments' subsidiaries in order to (a) repay any debt DCPayments may incur, (b) make dividend payments to DCPayments' Shareholders and (c) meet DCPayments' other obligations. The right of DCPayments, as a direct or indirect unitholder or shareholder of these entities, to realize on the assets of these entities in the event of their bankruptcy or insolvency, would be subordinate to the rights of their creditors and claimants preferred by statute.

Contract Renewals

DCPayments' future revenue streams are related to contracts which require renewal from time to time. It cannot be assured that DCPayments will be able to renew all contracts on favorable terms to DCPayments or at all. Additionally, the Eze Acquisition and the Threshold Acquisition contain a significant number of contracts that require renewal, which, if not obtained, may materially affect DCPayments’ business.

Corruption and Bribery

DCPayments' operations are governed by, and involve interactions with, many levels of government in numerous countries. Like most companies, DCPayments is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which DCPayments conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its third party agents. Although DCPayments takes steps to mitigate such risks, such measures are not always effective in ensuring that DCPayments, its employees or third party agents will comply strictly with such laws. If DCPayments finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on DCPayments resulting in a material adverse effect on DCPayments’ reputation and results of its operations.

Structural and Cyclical Changes Occurring in the Payments Sector

Cash remains the most common form of payment by consumers in Australia and the United Kingdom. Nonetheless, cash use as a share of total payments has declined, falling as a share of both the number and value of payments. If this trend continues, it may adversely affect the performance and sustainability of the ATM businesses of DCPayments.

Tax Consequences of Acquisitions

DCPayments has completed acquisitions of shares of competitor corporations which were in the same businesses as DCPayments. DCPayments typically then subsequently amalgamates or winds up the acquired entities into already existing corporations within the DCPayments Group. When this occurs, the future tax deductions and filings of the affected DCPayments Group corporations are affected by the combined tax attributes of the pre-amalgamation corporations. DCPayments has utilized in the past (and intends to utilize in the future) prior undepreciated capital property balances and unused non-capital loss carry forward balances (i.e. that originated in the acquired entities) for the purposes of claiming deductions and thereby reducing taxes payable in the years after these acquisitions are completed. However, if taxation authorities were to subsequently deny the deductibility of such items in future reassessments, it is possible that future cash flow of DCPayments could be negatively impaired by the increased future tax bill. Additionally, DCPayments may be liable for taxes due or penalties imposed for audits related to previous periods prior to DCPayments’ acquisition of shares of corporations, which may not be covered by an indemnity in relation to the acquisition of the shares. In addition, acquired corporations may have completed historical tax filings that may be considered aggressive and, if re-assessed, may give rise to the requirement to pay certain penalties and/or additional taxes.

Litigation

In the normal course of DCPayments’ operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to DCPayments and as a result, could have a material adverse effect on DCPayments’ assets, liabilities, business, financial condition and results of operations. Even if DCPayments prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from DCPayments’ business operations, which could adversely affect its financial condition. Certain contracts DCPayments has with counterparties provide for indemnification in favor of DCPayments which mitigates some litigation risk, however, the value of these indemnities is dependent on the ability of such counterparties to pay and such ability cannot be predicted with certainty. See also "*Legal Proceedings & Regulatory Actions*".

Alternative Payments

Alternative payment options could be developed that change individuals' requirements to get cash from ATMs or make purchases with Debit Cards or Credit Cards. Some new payment technologies that have emerged in the past few years include paypass systems and payment systems that utilize features built into cellular phones. To date these alternative technologies have not had a measurable impact. However, these technologies and new technologies developed in the future could become more prevalent and thereby negatively impact DCPayments' Business.

Need to Manage Growth Effectively

If DCPayments fails to manage DCPayments' growth effectively, DCPayments' Business and operating results could be adversely affected, which could cause the market price of the Common Shares to fall. DCPayments' goal is to continue to grow the operations of DCPayments domestically and internationally, and to hire additional employees. The growth in DCPayments' operations and staff has placed, and will continue to place, a strain on existing management systems and resources. If DCPayments fails to manage DCPayments' future anticipated growth, DCPayments may experience higher operating expenses, and DCPayments may be unable to meet the expectations of Shareholders, securities analysts or prospective investors with respect to future operating results.

Internal and External Development Risk

DCPayments uses its own internal developers for many intellectual property projects and this may cause delays in DCPayments' projects or an inability of DCPayments to deliver final projects. This may also impact DCPayments' ability to hire and retain qualified candidates for project development. DCPayments relies on third parties to develop products and DCPayments cannot guarantee quality of work or the amount of fees charged by such third parties.

Telecommunications Infrastructure

DCPayments operations rely on the telecommunications network and Internet network of certain major telephone and telecommunication suppliers in each jurisdiction where DCPayments operates. Any prolonged disruption of the telecommunications network, or Internet that provides the backbone or connection to the DCPayments switching operations would have an adverse effect on the profitability as DCPayments would be unable to process ATMs, direct payment terminals, Prepaid Card and Prepaid Product transactions.

Requirement for Additional Capital

Actual expenses may exceed DCPayments' projected amounts and/or actual revenues may be less than DCPayments currently projects, in which case DCPayments may need to raise additional funds from lenders and equity markets in the future. In addition, DCPayments may choose to raise additional financing in order to capitalize on perceived acquisition opportunities that may accelerate DCPayments' growth objectives. DCPayments' abilities to arrange such financing in the future will depend in part on the prevailing capital market conditions as well as DCPayments' business performance. There can be no assurance that DCPayments or DCPayments will be successful in efforts to arrange additional financing, if needed, on terms satisfactory to DCPayments and DCPayments. If additional equity or debt financing is raised by the issuance of Common Shares, control of DCPayments may change and holders of Common Shares may experience dilution to their equity interest in DCPayments.

Customer Credit Collection

DCPayments' ability to collect amounts due or to realize DCPayments' security on DCPayments' clients may affect profitability. There are risks associated with settlement with clients.

Market Price of Common Shares will Fluctuate

Shares of a publicly traded corporation will not necessarily trade at values determined solely by reference to the underlying value of its assets.

One of the factors that may influence the market price of Common Shares is the annual dividend yield on the Common Shares. DCPayments (and the other members of the DCPayments Group) are required to pay income tax on income before distribution of dividends to holders of Common Shares. An increase in tax rates will result in DCPayments having less cash available for other purposes (including payment of dividends). The market value of the Common Shares may deteriorate if DCPayments is unable to meet its dividend distribution targets in the future, and that deterioration may be material. Additionally, the "after tax" value of dividends distributed to Shareholders is dependent on the tax charged to Shareholders upon receipt of dividends - changes in "dividend tax credit" rates and tax rates generally can both affect the after tax value of dividends received.

An increase in market interest rates may lead purchasers of Common Shares to demand a higher annual yield and this could adversely affect the market price of the Common Shares.

In addition, the market price for Common Shares may be affected by changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of DCPayments.

Proprietary Information

DCPayments relies on a combination of copyright, trademark and trade secret laws, confidentiality procedures, contractual provisions and other measures to protect its proprietary information. All of these measures afford only limited protection. These measures may be invalidated, circumvented or challenged. Despite DCPayments' efforts to protect proprietary rights, unauthorized parties may attempt to obtain or use information that DCPayments regards as proprietary.

Uninsured and Underinsured Losses

The insurance coverage currently maintained by the DCPayments Group is in the form of comprehensive property and casualty insurance, including coverage in respect of claims for bodily injury or property damage arising out of assets or operations. In many of DCPayments' customer contracts, the customer is required to maintain insurance with DCPayments named as a loss payee. DCPayments has not always carried out annual verification that such customers have the necessary insurance in place. DCPayments has introduced a program where customers who are required to provide such insurance can pay a per transaction fee to DCPayments in exchange for DCPayments' agreement to waive the requirement for the customer to provide such insurance. Even in cases where customers remain contractually obligated to maintain insurance for DCPayments' benefit, it is possible that when a loss occurs the necessary insurance will not be in place or the insurance company will deny coverage. Historically, DCPayments self-insured those ATMs and Debit Terminals and cash that DCPayments had responsibility for. However, DCPayments may in future determine to purchase third party insurance to cover ATM damage and loss of cash contained in particular ATMs selected by DCPayments (most likely ATMs with particularly high cash load capacities). DCPayments also self-insures risks associated with network/system fraud and intrusions. DCPayments does carry insurance for cash in transit. As a result, not all risks facing DCPayments are now or will be covered by insurance, and no assurance can be given that insurance will be consistently available or will be consistently available on an economically feasible basis or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of DCPayments. In particular, damage caused by an accidental or natural disaster to any or all of DCPayments' office/warehouse facilities, including the DCPayments switching/telecommunications links, may have a material adverse effect on DCPayments' operations.

Seasonality

ATM and Debit Terminal transaction volumes are subject to seasonality, which may impact dividends. Based upon historical transaction volumes from January 2008 through to December 2014, the highest transaction activity in Canada typically occurs in the 2nd and 3rd quarters of the year. The lowest transaction volumes occur in the 1st and 4th quarters. In Mexico, seasonality of the ATM business is the opposite of what is seen from DCPayments' Canadian operations. In Australasia, the highest transaction activity typically occurs in the 3rd and 4th quarters of the year. The lowest transaction volumes typically occur during the 1st and 2nd quarters. In Europe, with the industry growth of "free to use" transactions, seasonality of the ATM business is the same as what is seen from DCPayments' Australasia business.

Indemnities provided to Counterparties

On occasion DCPayments or its subsidiaries have been required to indemnify certain of its counterparties as an inducement for the counterparty to enter into contractual relations with DCPayments. If one of these indemnities were called upon it could have a negative impact on DCPayments.

Dividend Distribution Reductions & Delays

Although DCPayments currently intends to continue to distribute dividends on the Common Shares, there can be no assurance regarding the amounts of income to be generated by DCPayments' Business or the cash flow ultimately remaining and available to be distributed to holders of Common Shares. DCPayments' ability to make cash distributions, and the actual amount distributed, is entirely dependent on the operations and assets of DCPayments' Business, and is subject to various factors including DCPayments' financial performance, DCPayments' obligations under applicable credit facilities, fluctuations in DCPayments' working capital, the sustainability of DCPayments' margins and DCPayments' capital expenditure requirements.

Conflicts of Interest

Certain directors or officers of DCPayments' may also be directors or officers of other financial services companies and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director of officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with DCPayments to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA . See "*Directors and Officers – Conflicts of Interest*".

Forward-Looking Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on DCPayments' forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumption and uncertainties are found under the heading "*Forward-Looking Statements*" of this annual information form.

LEGAL PROCEEDINGS & REGULATORY ACTIONS

Other than as described below, to the knowledge of DCPayments, there are no legal proceedings or regulatory actions material to DCPayments to which any of the entities forming part of the DCPayments Group is a party or of which any of their respective property is the subject matter and no such proceeding is known to DCPayments to be contemplated. DCPayments (on a fairly regular basis) becomes involved as a plaintiff to enforce DCPayments' rights under site related contracts (i.e. for ATM Placements and ATM Processing) in those few situations where DCPayments alleges that the other parties to such contracts are breaching the terms of such contracts. DCPayments views the prosecution of such litigation as a necessary part of the normal course of business in managing the thousands of site related contracts that DCPayments is party to. None of these individual disputes are material to DCPayments.

On November 9, 2012, DCPayments, CashStore and DC Bank were named in a class action lawsuit filed with the Manitoba Court of Queen's Bench as it relates to payday loans and related fees in the Province of Manitoba for an unspecified amount of damages. CashStore ceased to offer payday loans in Manitoba after September 30, 2012. DCPayments has retained counsel and is contesting the claim. On December 11, 2013, the court set the dates of November 3, 2014-November 5, 2014 as the hearing dates for the certification motion in this matter; however this motion was adjourned and has not been rescheduled as a result of the CashStore CCAA proceedings.

On August 20, 2013, DCPayments and DC Bank were added as named parties to a class action lawsuit previously filed against CashStore as it relates to payday loans and related fees in the Province of Ontario and filed with the Ontario Superior Court of Justice for an unspecified amount of damages. DCPayments has retained counsel and is contesting the claim. On January 20, 2014, the court set a schedule for the certification motion to be heard over 5 days starting on September 15, 2014, however this has been adjourned due to the CashStore CCAA proceedings and new dates for the certification motion have been set for December 9, 2015-December 11, 2015.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described herein in respect of DCPayments relationship with DC Bank, including certain agreements relating to the issuance of prepaid cards, there were no material interests, direct or indirect, of directors or executive officers of DCPayments, any securityholder who directly or indirectly beneficially owns, or exercises control or direction over, more than 10% of the outstanding voting securities of DCPayments or any known associate or affiliate of such persons in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or will materially affect DCPayments.

DCPayments has entered into contracts and expects to enter into further contracts with DC Bank. Since certain members of management and DCPayments' Board of Directors are the shareholders of DC Bank, they are interested in any contracts between DC Bank and any member of the DCPayments Group. See "*Directors and Officers – Conflicts of Interest*" and "*Risk Factors*".

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares is Valiant Trust Company, at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, DCPayments has not entered into any material contracts within the most recently completed financial year, or before the most recently completed financial year which are still in effect.

INTERESTS OF EXPERTS

To the knowledge of DCPayments, as of the date hereof, set forth below is the name of each person or other entity who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by DCPayments during, or relating to, DCPayments' most recently completed financial year, and whose profession or business gives authority to the statement, report or valuation made by the person or entity.

DCPayments used KPMG LLP for external audit services for the fiscal year ended December 31, 2014. KPMG LLP has advised DCPayments that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of DCPayments' securities and options to purchase securities, if applicable, is contained in DCPayments' Information Circulars for annual meetings of holders of Common Shares that involve the election of directors of DCPayments. Additional financial information is provided in DCPayments' financial statements and management's discussion and analysis for the period ended December 31, 2014. Documents affecting the rights of securityholders, along with other information relating to DCPayments and its subsidiary entities, may be found on SEDAR at www.sedar.com.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Audit Committee Charter

The Board of Directors (the "**Board**") of DirectCash Payments Inc. ("**DCPayments**") has established the Audit Committee (the "Committee") to assist the Board in fulfilling its governance responsibilities. The scope of the Committee's responsibilities includes oversight and monitoring of: financial information which will be provided to DCPayments' shareholders and others; the quality of DCPayments' internal controls and financial controls; the audit processes; compliance with legal and regulatory requirements; and DCPayments' Code of Business Conduct.

In order to accomplish its objectives, the Audit Committee is expected to maintain free and open communication with the external auditors and management of DCPayments.

Organization

The Audit Committee shall be composed of a minimum of three Directors, all of whom are independent of the management of DCPayments and are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as a Committee member. Directors will be appointed annually to the Audit Committee by the Board. The Committee will appoint a Chairperson from the selected Committee members. Each director appointed to the Committee shall be financially literate or must become financially literate within one year of appointment. It is expected that, whenever possible, at least one Committee member will have accounting or related financial expertise. Additional training regarding Committee responsibilities is to be provided as determined by the Committee.

The Committee will meet quarterly with management and the external auditors. Additional meetings may be scheduled as required.

Responsibilities

In carrying out their responsibilities, the Audit Committee's scope will encompass the following activities:

1.0 Financial Reporting

1.1 Review and recommend to the Board for approval the annual financial statements, management discussion and analysis (“**MD&A”**), and press releases before this information is disclosed publicly. This review includes obtaining from management analysis of material variances, significant provisions and management estimates, and any unusual events that had a material effect on the financial statements;

1.2 Review and recommend to the Board for approval the interim financial statements, MD&A, and press releases before this information is disclosed publicly. This review includes obtaining from management analysis of major variances, significant provisions and management estimates, and any unusual events that may have had a material effect on the financial statements;

1.3 Review and recommend to the Board for approval any significant changes in accounting policies and principles. Review annually with management and the external auditors any emerging financial reporting issues and the possible future financial impact thereof;

1.4 Review and recommend to the Board for approval the annual information form ("**AIF**"), Prospectuses, other offering memoranda, and any other published document focusing on financial information contained therein. Ensure the AIF includes accurate disclosure about the Audit Committee as required by applicable regulatory requirements; and

1.5 From management and the external auditors gain satisfaction that adequate procedures are in place for the review of any public disclosure of financial information extracted or derived from the financial statements, other than the public disclosures referred to previously. Periodically conduct an assessment of the adequacy of these procedures.

2.0 Internal Controls (including Financial Controls)

2.1 Understand the key risks to the reliability of the financial reporting of DCPayments and review the quality of DCPayments' internal controls with management to ensure that DCPayments has a process in place to identify, evaluate the impact of, and implement effective techniques to proactively manage such risks; and

2.2 At the conclusion of the external audit, review the audit report, including any comments and internal control recommendations as well as management's response thereto. In addition, obtain from the external auditors their judgements about the quality, not just the acceptability, of DCPayments' accounting principles.

3.0 External Auditors

3.1 Review and recommend to the Board the external auditors to be nominated for appointment at the Annual General Meeting of shareholders;

3.2 Establish and maintain a direct reporting relationship between the external auditors and the Audit Committee, as representatives the Board. Ensure that all parties recognize that the external auditors report directly to the Audit Committee;

3.3 Review and recommend to the Board the basis and amount of the external auditor's fees to conduct the external audit and provide associated services;

3.4 Approve and monitor non-audit services provided by the external auditor in accordance with DCPayments' policy. Engage in dialogue with the external auditors regarding any disclosed relationships or services to ensure that their independence and objectivity are maintained;

3.5 Meet with the external auditors and management of DCPayments to review and approve the scope of the proposed audit for the current year;

3.6 Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit work, review or attest services, including the resolution of disagreements between management and the external auditor regarding financial reporting; and

3.7 Approve DCPayments' policies regarding hiring of partners, employees and former partners and employees of present and former external audit firms.

4.0 Policy, Legal, and Security Matters

4.1 Establish procedures for and monitor the results of:

4.1.1 The receipt, retention and treatment of complaints received by DCPayments regarding accounting, internal accounting controls, or auditing matters; and

4.1.2 The confidential, anonymous submission by employees of DCPayments of concerns regarding questionable accounting or auditing matters;

4.2 Review DCPayments' Corporate Disclosure Policy and the program management has established to monitor compliance. Annually obtain from management a report of declared potential conflicts of interest and review management's actions to ensure actual conflicts are satisfactorily resolved on a timely basis;

4.3 Review DCPayments' programs for safeguarding physical assets, intellectual property, and management information systems;

4.4 Monitor ongoing fraud investigations and provide a report to the Board on the current status; and

4.5 Review with management, legal counsel, and the external auditors any ongoing or anticipated material litigation, claim or other contingency, regulatory issues, legal statutes, and any other potential liabilities that may have a material effect upon the financial position or operating results of DCPayments. Evaluate the manner in which these matters have been disclosed in the financial statements.

5.0 Other

5.1 Meet separately with each of the external auditors and management to discuss items that these groups believe should be discussed privately and to obtain assurance that audit scopes are not being limited and that cooperation between the external auditors and management is satisfactory;

5.2 Initiate or conduct investigations into any matters within the Committee's scope of responsibilities. The Committee is empowered to retain, set the compensation for, and pay independent counsel, or other advisors to assist it in the conduct of any material investigation;

5.3 Request more in-depth reports from management or others on specific topics of interest to the Committee;

5.4 Annually review and amend the Audit Committee Charter as required, and recommend to the Board for approval;

5.5 Perform self-evaluations of the Committee's and members' performance; and

5.6 Perform other functions as assigned by law, DCPayments bylaws, or the Board.

Access to Officers, Employees and Outside Counsel

The Committee shall have access to such officers and employees of DCPayments and to DCPayments' independent external auditors, and to such information respecting DCPayments, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any such counsel and advisors, such engagement to be for DCPayments' sole account and expense.