CPS PAYMENT SERVICES

Accounts Payable E-Payments

Creating Value and Efficiency in the Payment Disbursement Process

Overview of the CPS e-Payments Program

The CPS E-Payment Solution enables clients to automate the disbursement of their vendor payables through the use of a one-time use MasterCard. By replacing checks, the clients are able to generate significant cash rebates on the payments made to vendors and eliminate the cost of the check printing and processing.

Program Highlights:

- Solution integrates seamlessly with all major ERP's;
- Implementation in less than 2 weeks (10 hours of total IT support required);
- Significantly reduces back office costs and inefficiencies;
- Rebate paid monthly
- No cost to clients (implementation and ongoing support)

Our clients annual rebate is approximately $1M for every $1B in Annual Revenue.

CPS PAYMENT SERVICES

Challenges with Typical Corporate Card Programs

Companies have used credit cards to pay their bills & expenses to earn:

- Reward Points
- Gift Cards
- Airline Miles
- Cash Rebates

Historically, companies have had challenges with credit card programs, including:

- Lack of automation (increased manual work, increased exceptions)
- Potential for fraud / lack of financial control
- Earned rebates not up to expectations

These programs simply haven't delivered the intended value. CPS's e-Payments Program provides companies with the ability to utilize Virtual Credit Card payments seamlessly within existing processes to create efficiencies and reduce cost, while maximizing earned rebates.

CPS PAYMENT SERVICES

Overview of the CPS e-Payments Program

Typical Metrics for the CPS e-Payments Program:

Client Revenue	$500M	$1B	$5B	$10B	$20B
AP Spend[1]	$125M	$250M	$1.25B	$2.5B	$5B
VC Spend[2]	$37.5M	$75M	$375M	$750M	$1B
Earned Rebate (Assume 1.5%)	**$562.5K**	**$1.125M**	**$5.625M**	**$11.25M**	**$22.5M**
Check Costs[3]	$5.14/per	$5.14/per	$5.14/per	$5.14/per	$5.14/per
# Of VC Pmts. (Median)	10K	20K	100K	200K	400K
Cost Savings	**51.4K**	**$102.8K**	**$514K**	**$1.03M**	**$2.06M**
Total Return	**$613.9K**	**$1.228M**	**$6.139M**	**$12.28M**	**$24.5M**

Total return represents the total earned rebate and cost savings as a result of implementing the e-Payments program. Results vary across clients.

[1] Estimated amount of AP spend as a percentage (25%) of revenue.
[2] Estimated percentage of AP spend alleviated by e-Payments Process (30%). This can be increased depending on the nature of vendor spend.
[3] The Accounts Payable Network. *Benchmark: Disbursements*. http://www.tapn.org. June 2008

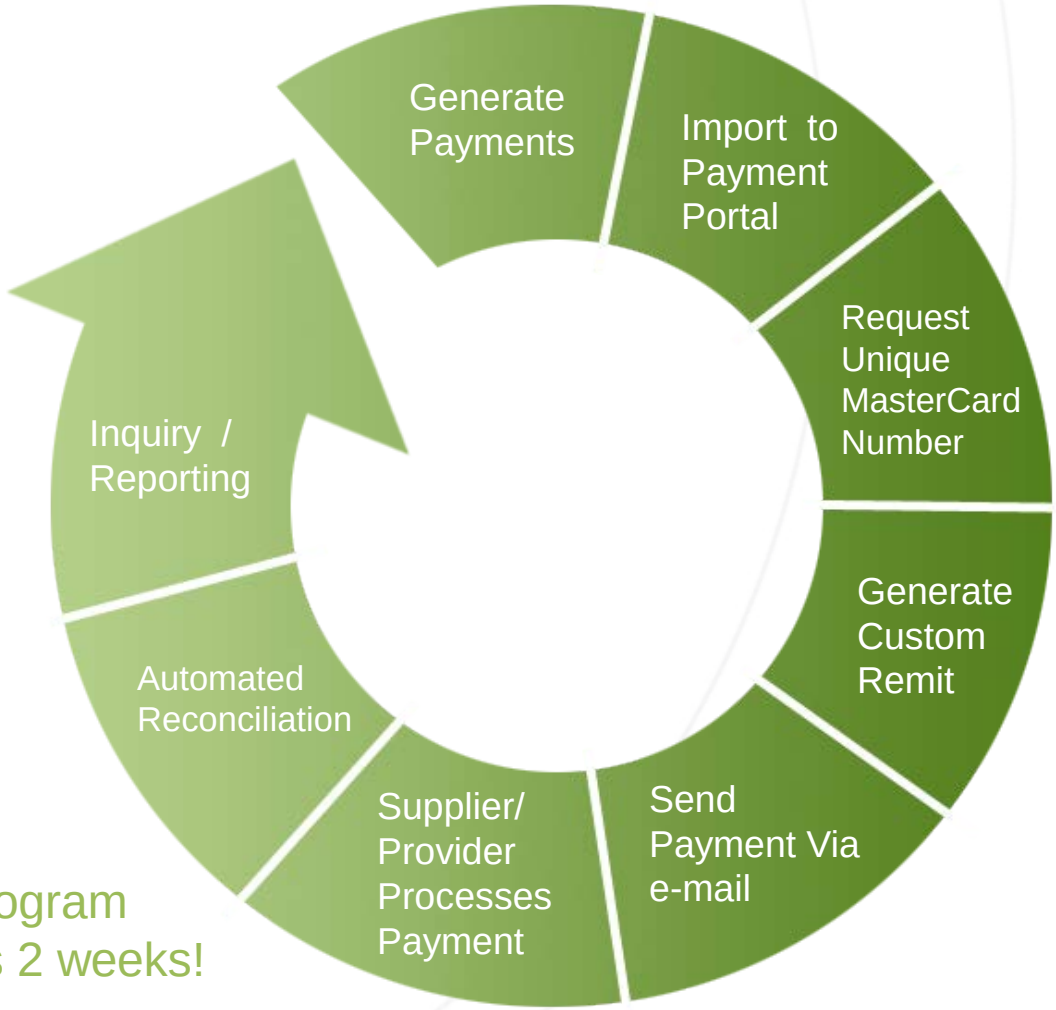
CPS PAYMENT SERVICES

© 2013 CPS Payment Services. Proprietary and Confidential |

e-Payments Process Steps

Optimize your bill payment process

The payment portal solution receives a file from your current AP system almost identical to the payment file produced today. A request is generated for a e-Payments number, a remit statement is generated, and a payment is sent via email (or other desired format) – automating the payment process. Through the use of the payment tool, reporting is enhanced and reconciliations are more automated.



We can have the program running in as few as 2 weeks!

CPS PAYMENT SERVICES

© 2013 CPS Payment Services. Proprietary and Confidential |

Send Payment via E-Mail through the Proprietary Payment Portal

Customized remit to match your payable file requirements

Mega Food Chain, Inc
PO Box 107236
Sandusky, OH 20234-7236

If you have any questions concerning this payment, please contact 1-800-845-2724

Your payment of $692.60 is valid through 12/99

ALIGN NETWORKS INC
PO BOX 530601
ATLANTA, GA, 303530601
EPAYMENT@COMPANIONGROUP.COM

Mega Food Chain Virtual Card Payment

4444 5555 7879 1124 CVC2 8771
Exp Date 12/99 $692.60
ALIGN NETWORKS INC

PAYMENT DETAILS

Payment #:	0000249177
Paid Date:	03-09-2012
Payment Amount:	$692.60
Vendor #:	047915
Tax ID:	043821114
Number of Invoices:	3

Your credit card payment is only valid for a single transaction for the exact amount shown above. For security purposes, transactions for any other amounts will be declined.

Invoice #	Invoice Date	Reference #	Gross Amount	Discount Available	Paid Amount
1477187	07 Sep 2010	0000249177	$299.92	$7.32	$292.60
1478570	07 Sep 2010	0000249184	$205.00	$5.00	$200.00
1475575	07 Sep 2010	0000249185	$205.00	$5.00	$200.00

Go Green, Save Green

Payment Portal

- Runs securely on your own network
- Search, hold, preview, consolidate and reconcile all payments via one easy-to-use interface

CPS PAYMENT SERVICES

Vendor Identification & Enrollment

Enrollment specialists will identify suppliers that accept MasterCard

Direct Mail

Letters to vendors / providers to request their enrollment in this payment method.

Direct Vendor Communication

Direct calls to Accounts Receivable departments of the clients' vendors to "pitch" accepting credit card payments

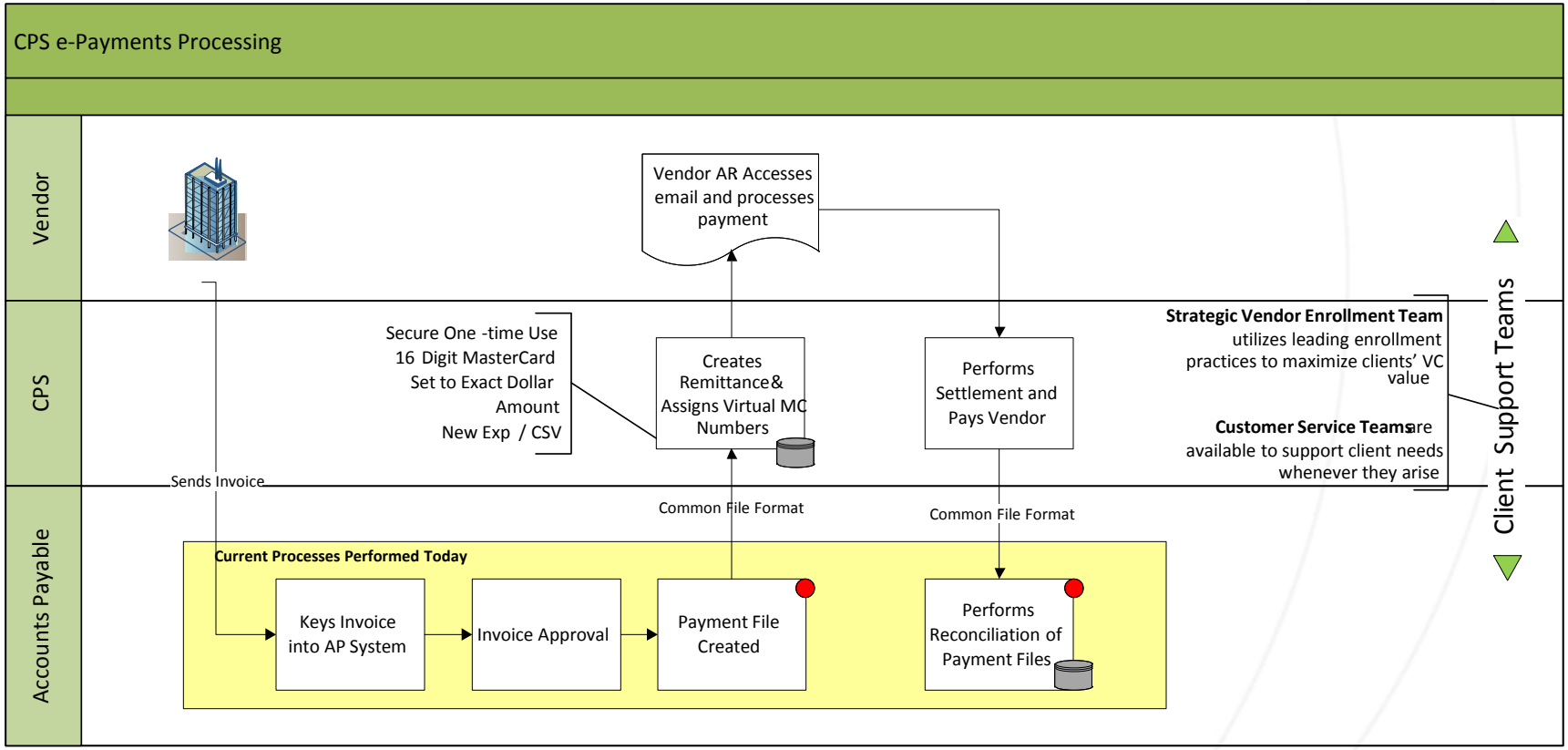
Payment Inserts

Periodically add an insert to check payments

CPS PAYMENT SERVICES

© 2013 CPS Payment Services. Proprietary and Confidential |

How Does the Process Work?



Current processes do not change. System only requires an output file that is similar in form and format to a check batch file or other forms of payment files.

There is increased automation in the process through the Payment Portal. For example, remittances, payments to vendors, and reconciliations are now automated. Additional reporting (including audit reporting) is available through the automation of payments through the VC program.

Control risks are mitigated through the use of automation including, but not limited to, risk of access to check stock, risk of fraud, and risk of incorrect payments.

CPS PAYMENT SERVICES

Why CPS?

Client Support Teams

Our Client Support Teams are on the ground with the client to ensure a successful implementation that drives value for the business. The Client Support Teams consist of seasoned big four consultants that understand client challenges and have experience leading clients through:

- Finance Transformation
- Business Process Improvement
- AP Process Redesign
- Organizational Redesign
- Cost Optimization
- Post-merger integration
- Project Management
- Financial Modeling
- And more…

Once the VC program is implemented our Client Support Teams will continue to ensure that you receive the most value from the e-Payments Program including continuous vendor enrollment assistance.

Technology

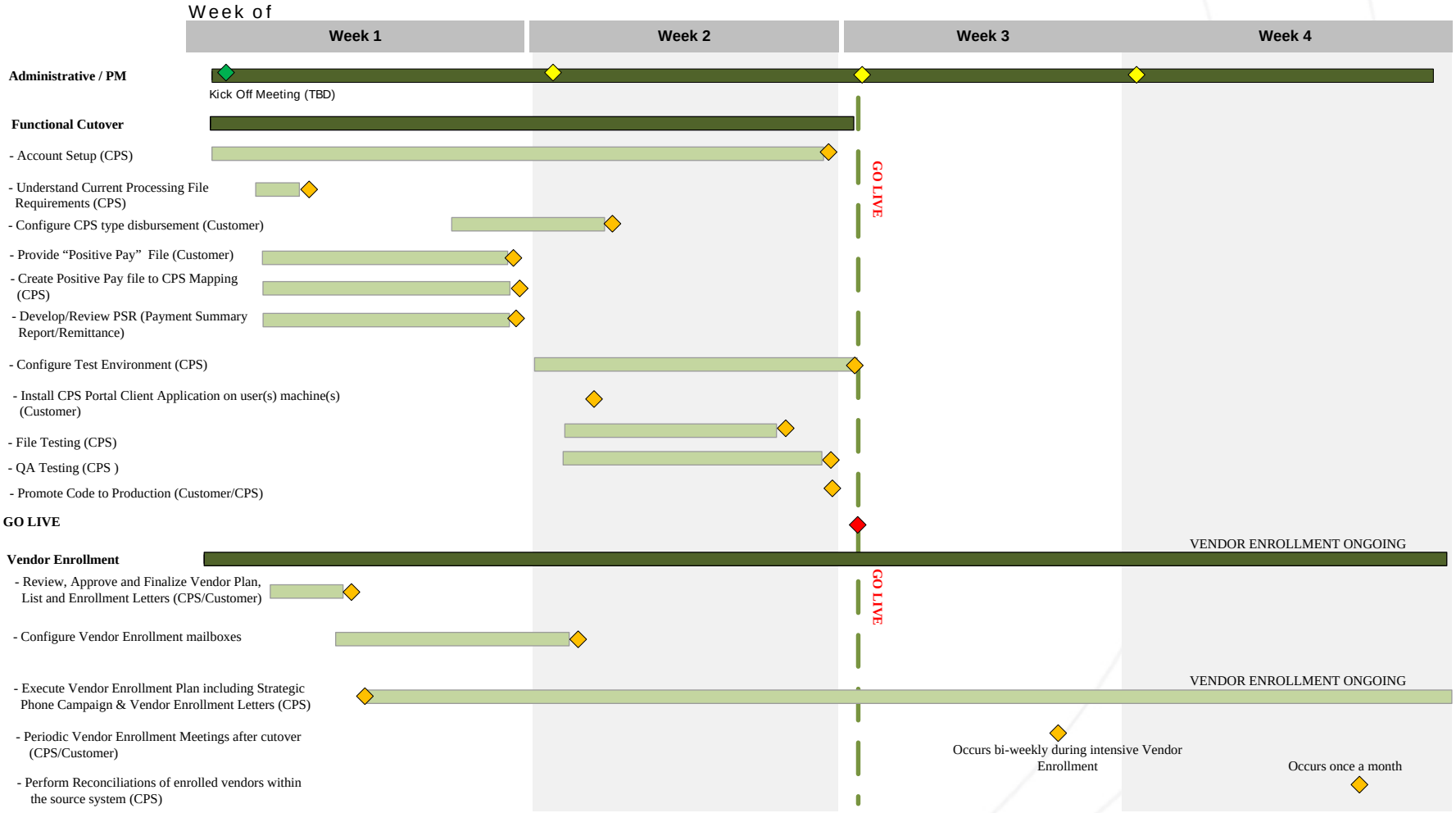
Our implementation teams have extensive experience in project management, systems integration and development including:

- Oracle
- PeopleSoft
- JD Edwards
- Lawson
- SAP
- Other Accounts Payable systems
- Interface development and integration
- Data conversion and migration

CPS PAYMENT SERVICES

© 2013 CPS Payment Services. Proprietary and Confidential |

CPS Payment Services
Timeline



CPS Payment Services, Confidential and Proprietary – Do Not Distribute

CPS Payment Services

Timeline

The activities to get payment processing up and live is typically less than 2 weeks. Below are the list of activities where customer involvement is critical. Included in the description are the typical time requirements and resources that are involved in the activity:

Activity Description	Time	Resource Type
Kick-Off Meeting: Meeting that includes any resource involved in the new process. Information to be discussed are Processing Requirements, Share Sample Check Stubs (data to be imported into CPS Portal) and vendor enrollment. Technical resource time requirements are typically minimal and depends on each customer environment and roles.	1 hour	Executive Sponsor, AP Functional Resource, Finance/AP Business Analyst, IT Resource
CPS Import File / 'Positive Pay' File: Includes configuration of outbound file from source system (includes setup of new payment type and delivery method). Provide CPS with data the customer would like to see in the CPS Portal (what they would like the vendor to see on the remittance). Review of PSR (Payment Summary Report or Remittance).	3 hours	AP Functional Resource, Finance/AP Business Analyst
Install Client Side CPS Portal Application: Installation of the CPS Portal onto user client machine(s).	45 minutes*	AP Functional Resource, Finance /AP Business Analyst
Review & Finalize Vendor List, Letter, and Enrollment Plan: Perform review of vendor list, vendor enrollment letter and the vendor enrollment plan for CPS to execute. Once reviewed and final approval is received, CPS will work to enroll vendors.	1 hour	AP Functional Resource

* Assumes 3 user machines

CPS PAYMENT SERVICES

© 2013 CPS Payment Services. Proprietary and Confidential |