



Annual General Meeting

June 25, 2025

9:00 - 9:45 am

Executive Suites Hotel
Ballroom B, 4201 Lougheed Highway
Burnaby, British Columbia

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Notice of the Annual General Meeting

E-Comm Emergency Communications for British Columbia Incorporated

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of *E-Comm Emergency Communications for British Columbia Incorporated* (the "Company") will be held on Thursday, June 25, 2025, at the hour of 9:00 a.m. at the Executive Suites Hotel, Ballroom B, 4201 Lougheed Highway, in Burnaby, British Columbia.

1. To receive, consider and approve the minutes from the Annual General Meeting held June 20, 2024.
2. To receive the Financial Statements for the Company for the year ended December 31, 2024, and the report of the auditors thereon.
3. To appoint the auditors of the Company for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the auditors.
4. To elect Directors to hold office until the close of the next Annual General Meeting.
5. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

Additionally, we want to bring to your attention that Ernst & Young, the Province's Independent Reviewers, will be attending the Annual General Meeting as observers.

Pursuant to the Articles of the Company any entity that is a member of the Company may authorize such person as it thinks fit to act as its representative at any general meeting or class meeting. **Please provide E-Comm with the name of your representative by June 12, 2025.** If a member is unable to send a representative to attend the meeting in person, then that member may appoint a Proxyholder to attend and vote for it at the meeting. If you wish to appoint a Proxyholder, then you must complete and sign the enclosed form of Proxy and deliver it to Mike Ho via email at governance@ecomm911.ca **no less than 72 hours prior to the meeting.**

DATED at Vancouver, British Columbia this 27th day of May, 2025.

BY ORDER OF THE BOARD



Mike Ho
Associate Corporate Secretary

Enclosures:

1. Draft Minutes of June 20, 2024, Annual General Meeting.
2. Audited Financial Statements for the year ended December 31, 2024, and the report of the Auditors thereon.
3. Form of Proxy.

Minutes of June 20, 2024 Annual General Meeting

**Minutes of the Annual General Meeting of
E-Comm Emergency Communications for British Columbia Incorporated** (the “Company”),
on June 20, 2024, at the hour of 9:00 a.m. at SFU Wosk Centre, 580 West Hastings Street, Vancouver, B.C.

Shareholders of the Company present or represented

| | | |
|---|---|---|
| City of Abbotsford | City of New Westminster | City of Richmond |
| Abbotsford Police Board, <i>via proxy</i> | New Westminster Police Board | City of Surrey |
| BC Emergency Health Services | City of North Vancouver | Transit Police (SCBCTAPS) Board |
| City of Coquitlam | District of North Vancouver | City of Vancouver |
| City of Delta | City of Pitt Meadows, <i>via proxy</i> | Vancouver Police Board |
| Delta Police Board | City of Port Coquitlam | West Vancouver Police Board, <i>via proxy</i> |
| City of Langley | City of Port Moody | |
| City of Maple Ridge | Port Moody Police Board, <i>via proxy</i> | |

Partner Agencies Present

Royal Canadian Mounted Police

Meeting Chair

Doug Campbell, Chair, E-Comm Board of Directors

Management Present

Oliver Grüter-Andrew, President and CEO
Li-Jeen Broshko, KC, VP of Legal and Governance and Corporate Secretary
Mike Ho, Legal Counsel and Associate corporate Secretary
Carly Paice, Manager, Communications and Public Affairs

Recording Secretary

Devon Gunderson, Board Manager

1. Introduction

E-Comm Board Chair Doug Campbell welcomed shareholders and guests to the 2024 Annual General Meeting.

2. Formalities and Call to Order

Call to Order

The Annual General Meeting was formally called to order at 9:04a.m. Mr. Campbell, upon hearing no objection, appointed Li-Jeen Broshko, KC, Corporate Secretary, to act as Secretary of the Meeting.

Chair Campbell advised that the procedures followed at the Annual General Meeting are governed by the Articles of E-Comm, the Fifth Restatement of the Members’ Agreement, the British Columbia *Business Corporations Act* and the rules of order usually followed for meetings of Canadian companies.

3. Registration of Proxies

Section 11.6 of the Company’s Articles requires that all proxies for the meeting be delivered to the Company not less than 48 hours before the start of the meeting. All proxies delivered in accordance with those requirements were registered for use at the meeting.

It was confirmed that there were 22 Class A Shareholders represented, in person or by proxy, holding 30 Class A shares.

It was confirmed that there were 16 Class B Shareholders represented, in person or by proxy, holding 18 Class B shares.

4. Notice of Meeting and Quorum

The Notice calling the meeting was sent to all Members of record as of May 29, 2024. The Shareholders waived formal reading of the Notice of Meeting.

Article 10.3 of the Company's Articles provides that the quorum for the transaction of business at a meeting of shareholders is "...two persons present and being, or representing by proxy, Members holding not less than 20% of the outstanding Class A Shares or other Shares entitled to be voted at the meeting" [8 of 36 Class A shares]. The Chair confirmed that a quorum was present.

With Notice having been duly given and a quorum being present, the Chair declared the meeting to be duly constituted for the transaction of business.

5. Minutes of the 2023 Annual General Meeting of Members

The minutes from the 2022 Annual General Meeting of Members held on June 22, 2023, were previously circulated.

MOVED AND SECONDED

- 5.1 THAT** the minutes of the June 22, 2023, Annual General Meeting, be and are hereby approved and adopted as presented.

CARRIED

6. Presentation of Financial Statements for the Company

The Financial Statements for the fiscal year ended December 31, 2023, and the Auditors Report thereon were mailed to all shareholders with the Notice of Meeting. The Chair asked if anyone had any questions regarding the financial statements. There being none, the financial statements of the Company for the fiscal period ended December 31, 2023, were received by the Shareholders as presented.

MOVED AND SECONDED

- 6.1 THAT** the financial statements of the Company for its fiscal period ended December 31, 2023, be and are hereby received by the shareholders.

CARRIED

7. Appointment of Auditors

The *BC Corporations Act* requires the Shareholders of every company to appoint an auditor or to waive that appointment annually. The Chair called for a motion to appoint KPMG LLP, Chartered Accountants, as auditors of E-Comm until the next Annual General Meeting or until their successors are duly appointed.

MOVED AND SECONDED

- 7.1 THAT** KPMG LLP, Chartered Professional Accountants, be and is hereby appointed as the auditors of the Company until the close of the next Annual General Meeting or until their successor is appointed, at a remuneration to be fixed by the directors and that the directors be authorized to fix such remuneration.

CARRIED

8. Determination of the Number of Directors

Under the Members' Agreement and Articles of E-Comm, the Members of E-Comm designate the number of directors to be elected. Directors are nominated by the Members, the RCMP as a special user, and by the Ministry of Public Safety and Solicitor General. In addition, five independent directors are nominated by the outgoing Board of Directors. As ratified at the 2023 Annual General meeting, the number of directors is currently set at 23.

MOVED AND SECONDED

8.1 THAT the number of directors for the ensuing year be fixed at 23.

CARRIED

9. Election of Directors

E-Comm received the names of 18 nominees proposed by the Members, the RCMP and the Ministry of Public Safety and Solicitor General, in Accordance with the Members' Agreement, and the names of five independent director nominees proposed by the Board of Directors, for a total of 23 directors.

Director Denise Nawata read the names of the 18 nominees proposed by the Members and Ministry of Public Safety and Solicitor General.

MOVED AND SECONDED

9.1 THAT the 18 people nominated as directors by the Members, the RCMP and the Ministry of Public Safety and Solicitor General, as read by Denise Nawata, be elected as directors of the Company to hold office until the next annual meeting of the Company or until their successors are elected or appointed.

| Name of Nominee(s) | Name of Member or Designated Group |
|-----------------------------------|--|
| Ken Leung | City of Abbotsford |
| Leanne Heppell | BC Emergency Health Services |
| Nancy McCurrach Meghan Lahti | Village of Belcarra City of Burnaby City of Coquitlam City of New Westminster City of Port Coquitlam City of Port Moody |
| Dylan Kruger | City of Delta Delta Police Board |
| Steve Eely | Vancouver Police Board |
| Mike Bhatti | RCMP |
| | Metro Vancouver TransLink |
| Kash Heed | City of Richmond |
| Karen Levitt | City of Vancouver |
| Brian Godlonton Susan Stanford | Provincial Government |

| Name of Nominee(s) | Name of Member or Designated Group |
|---------------------------------|---|
| Mike Little | City of North Vancouver District of North Vancouver Village of Lions Bay District of West Vancouver |
| Terry Waterhouse Tim Baillie | City of Langley Township of Langley City of Surrey City of White Rock |
| Paul Douglas | Capital Regional District South Vancouver Island Police Agencies |
| Mary Trentadue | Independent Police Boards: City of Abbotsford City of New Westminster City of Port Moody Transit Police District of West Vancouver |
| Dan Ruimy | Ridge Meadows |

CARRIED

10. Other Business

No additional items were tabled for consideration.

11. Termination of Meeting

The meeting was concluded at 9:31 a.m.

Certified approved,

Doug Campbell, Chair

Li-Jeen Broshko, Corporate Secretary

Audited Financial Statements for the Period Ended December 31, 2024

Financial Statements of

**E-COMM EMERGENCY COMMUNICATIONS
FOR BRITISH COLUMBIA INCORPORATED**

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604 691 3000
Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of E-Comm Emergency Communications for British Columbia Incorporated

Opinion

We have audited the financial statements of E-Comm Emergency Communications for British Columbia Incorporated (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2024;
- the statement of operations and net deficit for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organization, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



*E-Comm Emergency Communications for
British Columbia Incorporated
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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 24, 2025

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Financial Position

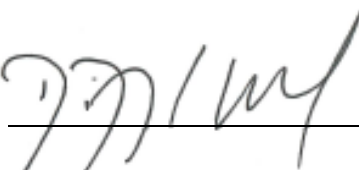
December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|--|----------------|----------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 25,116,522 | \$ 7,963,968 |
| Restricted cash and cash equivalents - Next Generation 9-1-1 ("NG911") | 6,614,117 | 14,703,176 |
| Accounts receivable (note 4) | 44,687,849 | 14,384,000 |
| Prepaid expenses | 7,060,266 | 4,663,615 |
| Short-term investments in direct finance leases receivable (note 5) | 3,849,493 | 5,868,147 |
| Short-term restricted investments at fair value - NG911 (note 6) | 28,075,374 | 30,452,748 |
| | 115,403,621 | 78,035,654 |
| Investment in PRIME Corp. (note 2(a)) | 1 | 1 |
| Debt reserve fund (note 3) | 289,755 | 2,186,215 |
| Long-term prepaid land lease | 1,818,182 | 1,843,434 |
| Long-term portion of prepaid expenses | 10,316,970 | 4,341,014 |
| Long-term investments in direct finance leases receivable (note 5) | 5,586,906 | 8,896,501 |
| Long-term restricted investments at fair value - NG911 (note 6) | 7,925,674 | 29,903,202 |
| Tangible capital assets (note 7) | 66,519,743 | 55,913,392 |
| | \$ 207,860,852 | \$ 181,119,413 |
| Liabilities and Net Deficiency | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 8) | \$ 58,696,311 | \$ 55,157,780 |
| Deferred revenue | 145,980 | 107,127 |
| Accrued interest payable (note 9) | 131,453 | 1,515,660 |
| Current portion of long-term debt (note 9) | 2,596,255 | 8,711,747 |
| Other liabilities (note 10) | 50,649,618 | 20,183,966 |
| Deferred contributions - NG911 (note 11) | 62,131,441 | 77,175,757 |
| Deferred capital contribution - NG911 (note 12) | 18,391,242 | 9,942,199 |
| | 192,742,300 | 172,794,236 |
| Long-term debt (note 9) | 11,013,657 | 13,568,048 |
| Asset retirement obligation (note 13) | 2,239,633 | 1,956,297 |
| | 205,995,590 | 188,318,581 |
| Net deficiency: | | |
| Share capital (note 14) | 550 | 550 |
| Unrestricted net assets (deficit) | 1,864,712 | (7,199,718) |
| | 1,865,262 | (7,199,168) |
| Contingencies (note 3) | | |
| Commitments (note 16) | | |
| Economic dependence (note 18) | | |
| | \$ 207,860,852 | \$ 181,119,413 |

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Operations and Net Assets (Deficit)

Year ended December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|--|---------------|----------------|
| Revenue: | | |
| Radio system | \$ 26,719,378 | \$ 23,145,314 |
| Consolidated dispatch and 9-1-1 call taking system | 91,444,618 | 72,719,962 |
| Contract service fees and miscellaneous revenue | 8,353,825 | 8,686,002 |
| Computer-aided Dispatch system | 2,111,532 | 1,967,503 |
| Records management system | 1,540,096 | 1,281,273 |
| Financing revenue from direct finance leases | 671,024 | 640,874 |
| Tenant recoveries rental | 703,420 | 668,200 |
| Interest income | 5,656,591 | 9,418,118 |
| Provincial grant revenue - NG911 | 6,595,273 | 1,648,126 |
| BC Emergency Health Services ("BCEHS") revenue - NG911 | 3,286,093 | 690,191 |
| Miscellaneous | - | 36,936 |
| | 147,081,850 | 120,902,499 |
| Direct operating expenses: | | |
| Salaries and benefits | 97,142,792 | 87,833,116 |
| Maintenance and technology | 9,673,313 | 8,668,331 |
| NG911 expenses | 11,188,546 | 2,945,706 |
| Premises | 4,981,864 | 4,776,690 |
| Professional fees | 3,421,957 | 3,202,328 |
| Employee related | 2,088,361 | 1,992,724 |
| Office supplies and communication | 1,103,423 | 934,495 |
| Other | 759,208 | 631,331 |
| | 130,359,464 | 110,984,721 |
| Other (income) expenses: | | |
| Amortization of tangible capital assets and prepaid land lease | 6,454,282 | 6,394,006 |
| Amortization of deferred financing costs | 41,864 | 154,614 |
| Interest on long-term debt | 2,388,206 | 5,628,840 |
| Accretion of asset retirement obligation (note 13) | 80,784 | 70,467 |
| Fair value gain on NG911 investments | (1,307,180) | (570,453) |
| | 7,657,956 | 11,677,474 |
| | 138,017,420 | 122,662,195 |
| Excess (deficiency) of revenue over expenses | 9,064,430 | (1,759,696) |
| Unrestricted net deficit, beginning of year | (7,199,718) | (5,440,022) |
| Unrestricted net assets (deficit), end of year | \$ 1,864,712 | \$ (7,199,718) |

See accompanying notes to financial statements.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---|---------------|----------------|
| Cash provided by (used in): | | |
| Operating: | | |
| Excess (Deficiency) of revenue over expenses | \$ 9,064,430 | \$ (1,759,696) |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 6,429,027 | 6,368,753 |
| Deferred contributions recognized as revenue | (6,595,273) | (1,648,126) |
| Amortization of prepaid land lease | 25,252 | 25,253 |
| Accretion of asset retirement obligation ("ARO") | 80,784 | 70,467 |
| Adjustment due to revaluation of ARO | 202,552 | - |
| Amortization of deferred financing costs | 41,864 | 154,614 |
| Interest earned on debt reserve fund | (34,683) | (69,448) |
| Interest earned on investments in direct finance leases receivable | (671,024) | (640,874) |
| Fair value gain on investments in financial instruments | (1,307,180) | (570,453) |
| Changes in non-cash operating items: | | |
| Accounts receivable and long-term receivables | (30,303,849) | (11,311,505) |
| Prepaid expenses | (8,372,607) | (5,564,587) |
| Accounts payable, accrued liabilities and interest payable | 2,154,324 | 10,375,860 |
| Deferred revenue | 38,853 | (8,229) |
| Other liabilities | 30,465,652 | 6,219,210 |
| | 1,218,122 | 1,641,239 |
| Financing: | | |
| Repayment of long-term debt | (8,711,746) | (12,427,750) |
| Debt reserve fund adjustment on retirement of debt | 1,931,143 | 143,733 |
| Deferred contribution received from Ministry | - | 90,000,000 |
| | (6,780,603) | 77,715,983 |
| Investing: | | |
| Restricted investments in financial instrument - NG911 | 25,662,084 | (59,785,498) |
| Acquisition and construction of tangible capital assets - NG911 | (13,566,664) | (14,535,372) |
| Acquisition and construction of tangible capital assets - E COMM | (3,468,717) | (5,159,112) |
| Payments received on direct finance leases receivable | 6,641,820 | 7,789,288 |
| Acquisition of assets, net of proceeds on disposal for direct finance leases | (642,547) | (3,354,229) |
| | 14,625,976 | (75,044,923) |
| Increase in cash and cash equivalents and restricted cash and cash equivalent - NG911 | 9,063,495 | 4,312,299 |
| Cash and cash equivalents, beginning of year | 22,667,144 | 18,354,845 |
| Cash and cash equivalents, end of year | \$ 31,730,639 | \$ 22,667,144 |
| Cash and cash equivalents are represented by: | | |
| Cash and cash equivalent | 25,116,522 | 7,963,968 |
| Restricted cash and cash equivalent - NG911 | 6,614,117 | 14,703,176 |
| | \$ 31,730,639 | \$ 22,667,144 |
| Non-cash transactions: | | |
| Amounts replenished to radio reserve (note 10(b)) | \$ - | \$ 860,919 |
| Amounts replenished to 2022 contracted Partners (note 10(f)) | - | 279,789 |
| Shared amounts related to 2022 true-up | - | 93,210 |
| Transfer to deferred capital contributions (note 11) | 8,449,043 | 9,942,199 |

See accompanying notes to financial statements.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements

Year ended December 31, 2024

1. Operations:

E-Comm Emergency Communications for British Columbia Incorporated (the "Corporation") was created in 1997 under legislation known as the Emergency Communications Corporations Act. On September 22, 1997, the Corporation was incorporated under the *Business Corporations Act* (British Columbia).

The Corporation provides centralized emergency communications and related public safety and public service to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout British Columbia. Primary services are provided to shareholder members of the Corporation pursuant to the Members' Agreement and to the Royal Canadian Mounted Police ("RCMP") pursuant to a Special User Agreement.

The Corporation is exempt from income tax under the *Income Tax Act*.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and incorporate the following significant accounting policies:

(a) Basis of presentation:

In March 2003, the Corporation established Police Records Information Management Environment Incorporated ("PRIMECorp"), a wholly-owned company, to ensure that the records management system and computer aided dispatch system are delivered and consistent in all police agencies throughout British Columbia. As the operations are controlled by the Province of British Columbia, Minister of Public Safety and Solicitor General, the net assets and operations of PRIMECorp have not been included in these financial statements.

(b) Revenue recognition:

The Corporation follows the deferral method for recognizing contributions.

Restricted contributions including grants are initially deferred and subsequently recognized as revenue in the year in which the related expenses are incurred by the Corporation. Contributions restricted for the purchase of tangible capital assets are deferred and amortized to revenue at a rate corresponding with the amortization rate for the related tangible capital assets.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from the provision of services is recognized in the period that the services are provided through operating activities or the consumption of tangible capital assets over their useful lives, irrespective of the period in which the service is billed. The Members' Agreement specifies the manner in which members are obligated to pay for services rendered by the Corporation. Finance income related to direct-financing type leases is recognized in a manner that produces a constant rate of return over the terms of the leases. Amounts received for future services are deferred until the service is provided.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, cash held in banks and term deposits maturing within 90-days from the date of acquisition, net of bank overdrafts, if any.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(d) Costs recoverable through future billings:

Costs recoverable through future billings represent services provided through the utilization of tangible capital assets, the cost of which is recoverable through future payments in accordance with the Members' Agreement.

(e) Prepaid land lease:

The land on which the Corporation's building is located has been leased from the City of Vancouver for a period of 99-years commencing 1999. The prepaid amount is being amortized, and recovered through billings, over the term of the lease.

(f) Tangible capital assets:

Tangible capital assets are stated at cost, net of accumulated amortization. Interest costs directly attributable to major projects are capitalized and, commencing at project completion, are amortized over the estimated life of the underlying assets.

Amortization begins when assets are put into use and is provided on a straight-line basis over the estimated useful lives of the assets as follows:

| Asset | Rate |
|--|----------------------------|
| Building | 40 years |
| Furniture, fixtures and building equipment | 3 years to 25 years |
| Radio | 5 years to 20.5 years |
| Dispatch consoles and voice systems | 7 years to 10 years |
| Records management system - Fire | 5 years to 10 years |
| Computer aided dispatch - Fire | 5 years to 10 years |
| User equipment | 7.5 years to 12.5 years |
| Leasehold improvements | Over the term of the lease |

The Corporation reviews its tangible capital assets for impairment whenever events or changes in circumstances indicate that the tangible capital asset no longer contributes to the Corporation's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such condition exists, an impairment loss is measured and recorded in the Statement of Operations at the amount by which the carrying amount of the tangible capital asset exceeds its fair value or replacement cost.

(g) Employee future benefits:

The Corporation participates in a multi-employer defined benefit pension plan. Defined contribution plan accounting is applied to this plan because the actuary does not attribute the deficit or surplus of the plan to specific employers. The pension expense associated with this plan is equal to the Corporation's contributions during the reporting period.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(h) Asset retirement obligations:

The Corporation recognizes the liability for an asset retirement obligation that results from acquisition, construction, development or normal operations in the year in which it is incurred and when a reasonable estimate of fair value can be made. The amount recognized is the best estimate of the expenditure required to settle the present obligation. The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, short-term and long-term investments, debt reserve fund, accounts payable and accrued liabilities, and long-term debt.

(i) Cash and cash equivalents, accounts receivable, and debt reserve fund are measured at amortized cost.

(ii) Investments:

(A) *Short-term investments* - include any fixed income investments with a term to maturity of less than one year. Short-term investments are measured at fair value.

(B) *Long-term investments* - include any fixed income investments with a term to maturity of more than one year. Long-term investments are measured at fair value.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(i) Financial instruments (continued):

(iii) Financial liabilities such as accounts payable and accrued liabilities, and long-term debt are measured at amortized cost.

(j) Related party transactions:

Transactions with related parties are in the normal course of operations and are recorded at the agreed upon exchange amount. Contractual arrangements and service agreements with related parties are subject to the Corporation's tendering and proposal processes.

(k) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements. Areas requiring the use of management estimates relate to the measurement of asset retirement obligations and established useful lives of tangible capital assets. Actual results could differ from those estimates.

3. Debt reserve fund and contingencies:

(a) The Corporation is required to maintain 1% of the initial borrowings through the Municipal Finance Authority of British Columbia ("MFA") in a debt reserve fund administered by the MFA. The original amount is presented together with interest earned on the reserve fund investments.

Demand notes in the aggregate amount of \$1,142,788 (2023 - \$10,691,205) are also provided by the Corporation to the MFA as a requirement of the borrowings. The debt agreement with the MFA provides that if at any time the scheduled payments provided for in the agreement are not sufficient to meet the MFA's obligations in respect to such borrowing, the deficiency becomes the joint and several liability of the Corporation and all other participants to the agreement through the MFA.

The Corporation is similarly liable on a contingent basis for the debt of other entities secured through the MFA. These contingent demand loans are not recorded in the Corporation's financial statements as they are not likely to be paid. If at any time the Corporation does not have sufficient funds to meet payments due on its obligations, the payments shall be made from the debt reserve fund.

The amounts due to the Corporation from the debt reserve fund are repaid to the Corporation when the respective loan agreements mature. There were no additions to the debt reserve fund during the year (2023 - nil) as the Corporation maintains the required amount in the debt reserve fund. Interest earned on the debt reserve fund at 1.58% per annum (2023 - 3.07%) amounts to \$34,683 (2023 - \$69,448).

(b) In the ordinary course of business, claims are asserted or made against the Corporation, and the Corporation is currently involved in various legal actions. The outcomes of these actions cannot be determined at this time. A provision has been made in the accounts for any possible unfavourable outcome of these actions, if any. The amount of any loss in excess of the provision and insurance coverage will be recorded when determinable.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

4. Accounts receivable:

| | 2024 | 2023 |
|---------------------------------------|----------------------|----------------------|
| Dispatch and 9-1-1 call taking levies | \$ 2,368 | \$ 26,169 |
| Radio levies | 1,204,696 | 2,815,792 |
| Technology support services fees | 1,141,809 | 3,263,644 |
| BCEHS - includes NG911 | 40,580,518 | 7,214,664 |
| Other receivables | 1,758,458 | 1,063,731 |
| | \$ 44,687,849 | \$ 14,384,000 |

5. Investments in direct finance leases receivable:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| User equipment lease receivable (a) | \$ 7,884,324 | \$ 12,878,155 |
| Remote dispatch equipment lease receivable (b) | 1,552,075 | 1,886,493 |
| | 9,436,399 | 14,764,648 |
| Less short term | 3,849,493 | 5,868,147 |
| | \$ 5,586,906 | \$ 8,896,501 |

- (a) Specific user agencies lease user equipment from the Corporation under 7.5-year direct finance leases. The leases bear imputed interest of \$1,014,266 in aggregate (2023 - \$1,348,804) at rates of 2.24% to 4.65% over the lease term. The future minimum payments, excluding financing costs, due from the user agencies are as follows:

| | |
|------------|---------------------|
| 2025 | \$ 3,572,669 |
| 2026 | 1,373,608 |
| 2027 | 966,898 |
| 2028 | 732,768 |
| 2029 | 663,048 |
| Thereafter | 575,333 |
| | \$ 7,884,324 |

- (b) Specific user agencies lease remote dispatch equipment from the Corporation under 10-year direct finance leases. The leases bear imputed interest of \$189,822 in aggregate (2023 - \$235,285) at rates of 2.24% to 2.85% over the lease term. The future minimum payments, excluding financing costs, due from the remote dispatch agencies are as follows:

| | |
|------------|---------------------|
| 2025 | \$ 276,800 |
| 2026 | 276,800 |
| 2027 | 211,323 |
| 2028 | 172,560 |
| 2029 | 172,560 |
| Thereafter | 442,032 |
| | \$ 1,552,075 |

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Restricted Investments at fair value - NG911:

The Corporation manages its investments in accordance with its investment policies and procedures. The investments held are measured at fair value and they include investment income earned and reinvested.

| | 2024 | 2023 |
|-----------------|---------------------|----------------------|
| Fixed income | \$ 36,001,048 | \$ 60,355,950 |
| Less short-term | 28,075,374 | 30,452,748 |
| | <u>\$ 7,925,674</u> | <u>\$ 29,903,202</u> |

7. Tangible capital assets:

| | | | 2024 | 2023 |
|--|-----------------------|--------------------------|----------------------|----------------------|
| | Cost | Accumulated depreciation | Net book value | Net book value |
| Building | \$ 9,537,169 | \$ 6,119,289 | \$ 3,417,880 | \$ 3,362,656 |
| Furniture, fixtures and building equipment | 17,750,476 | 10,793,816 | 6,956,660 | 3,806,052 |
| Radio | 73,454,981 | 46,461,298 | 26,993,683 | 30,921,314 |
| Dispatch consoles and voice systems | 5,270,711 | 4,564,017 | 706,694 | 973,150 |
| Records management system - Fire | 2,418,745 | 2,351,411 | 67,334 | 88,588 |
| Computer aided dispatch - Fire | 3,118,497 | 3,052,923 | 65,574 | 120,180 |
| User equipment | 195,135 | 138,723 | 56,412 | 69,210 |
| Leasehold improvements | 1,051,700 | 898,230 | 153,470 | 169,212 |
| Work-in-progress - Non-NG911 | - | - | - | 1,867,658 |
| Work-in-progress - NG911 | 28,102,036 | - | 28,102,036 | 14,535,372 |
| | <u>\$ 140,899,450</u> | <u>\$ 74,379,707</u> | <u>\$ 66,519,743</u> | <u>\$ 55,913,392</u> |

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2024 are government remittances payable of \$1,990,156 (2023 - \$1,835,343) relating to payroll related taxes.

9. Long-term debt:

| | 2024 | 2023 |
|--|----------------------|----------------------|
| 4.90% unsecured note payable, matured March 24, 2024 (a) | \$ - | \$ 968,974 |
| 2.85% unsecured note payable, matured October 24, 2024 (b) | - | 5,221,964 |
| 2.24% unsecured note payable, maturing October 9, 2029 (c) | 13,609,912 | 16,130,720 |
| | <u>13,609,912</u> | <u>22,321,658</u> |
| Less deferred financing costs | - | 41,863 |
| | | <u>22,279,795</u> |
| Less current portion | 2,596,255 | 8,711,747 |
| | <u>\$ 11,013,657</u> | <u>\$ 13,568,048</u> |

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Long-term debt (continued):

On March 24, 1998, the Corporation entered into an agreement with the MFA to borrow up to a maximum of \$170,000,000. Long-term debt is currently comprised of the following:

- (a) On March 24, 2008, the Corporation refinanced an existing loan, leaving a balance of \$87,000,000 repayable over 16-years. This loan had a final payment on March 24, 2024 and bears interest at a rate of 4.90%, with interest calculated and paid semi-annually in each year of the loan. The loan was fully repaid in March 2024.
- (b) On October 4, 2017, the Corporation obtained \$34,873,000 in long-term borrowing from the MFA for user agency radio purchases for the P25 network. This loan had an initial term of 7 years with a final payment date of October 24, 2024, bears interest at a rate of 2.85%, with interest calculated and paid semi-annually in each year of the loan. The loan was fully repaid in October 2024.
- (c) On October 9, 2019, the Corporation obtained \$25,500,000 in long-term borrowing from the MFA for user agency P25 mobile subscriber equipment, radio infrastructure and subscriber equipment for Translink's transition onto the Corporation's radio system. The loan has a term of 10 years with a final payment date of October 9, 2029, and bears interest at a rate of 2.24%, with interest calculated and paid semi-annually in each year of the loan.

The Corporation's borrowing capacity will increase in accordance with the above maturity dates.

The repayment requirements for the existing borrowing agreements for long-term debt are reported net of the sinking fund asset balances of \$157,447,088 (2023 - \$148,735,340). The sinking fund balance represents the principal payments made on outstanding debt to date.

As such, the repayment schedule during the next five years and in aggregate is as follows:

| | | |
|------|----|------------|
| 2025 | \$ | 2,596,255 |
| 2026 | | 2,674,144 |
| 2027 | | 2,753,998 |
| 2028 | | 2,837,366 |
| 2029 | | 2,748,149 |
| | \$ | 13,609,912 |

There is \$131,453 (2023 - \$1,515,660) of interest accrued on outstanding amounts at year-end.

10. Other liabilities:

| | | 2024 | 2023 |
|-------------------|-----|---------------|---------------|
| User equipment | (a) | \$ 2,907,071 | \$ 2,955,561 |
| Radio | (b) | 8,529,686 | 5,613,897 |
| HealthLink BC | (c) | 311,505 | 436,546 |
| Fire RMS & CAD | (d) | 4,053,343 | 3,550,833 |
| BCEHS | (e) | 32,754,605 | 6,194,406 |
| Other Liabilities | (f) | 2,093,408 | 1,432,723 |
| | | \$ 50,649,618 | \$ 20,183,966 |

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

10. Other liabilities (continued):

Other liabilities consist of the following:

- (a) The Corporation has received annual payments through user equipment billings from radio member agencies starting in 2007 for future user equipment purchases for specific user agencies. The funds collected are recorded as other liabilities until they are spent on behalf the user agencies. In 2024, nil (2023 - nil) was repaid to user agencies, and \$48,490 (2023 - \$112,882) was drawn down for user equipment purchases on behalf of member agencies. Interest is not earned on this balance.
- (b) Starting in 2006, the Corporation has collected funds through radio billings from radio member agencies to be set aside for future radio related expenditures. The funds collected are recorded as other liabilities until they are spent. In 2024, nil (2023 - nil) was collected through billings, \$1,034,989 (2023 - \$1,000,080) was authorized to be expended from the funds and was spent, and \$45,685 (2023 - \$60,989) of interest was earned by and allocated to the liability, calculated based on the average bank interest rate during the year. In 2024, \$3,905,093 of 2023 and 2024 radio surpluses was allocated to the Radio Reserve. In 2024, nil (2023 - \$860,919), net of interest was repaid to the Radio fund from the NG911 Provincial grant for related expenses incurred by the Corporation.
- (c) The Corporation has received funds from HealthLink BC ("HLBC"), for future expenditures. These amounts are recorded as other liabilities until the funds are spent. There is no interest earned on this balance.
- (d) The Corporation has collected annual payments starting in 2011 through Fire RMS and Fire CAD billings from Fire RMS and Fire CAD member agencies for future capital use. The funds collected are recorded as other liabilities until they are spent. In 2024, \$661,722 (2023 - \$737,417) was collected through billings and \$361,681 (2023 - \$269,489) was drawn down for approved RMS/CAD lifecycle replacement project. Interest is not earned on this balance.
- (e) The Corporation has received payment from BCEHS for the delivery of NG911 services and other related services. These amounts are recorded as other liabilities until the related expenditures have been incurred by the Corporation in order to fulfill its obligations to BCEHS.
- (f) The Corporation received funding from the Province of British Columbia and contracted partners HLBC, BCEHS, RCMP and Surrey Police Service for participating in Public Safety Broadband Network trials and to create a strategic roadmap for implementing NG911 service in British Columbia. The fund received are recorded as other liabilities until the funds are spent. During 2024, nil (2023 - \$279,789) was replenished from provincial grant to the contracted partners for their shared portion.

11. Deferred contributions - NG911:

Deferred contributions represent unspent grants or contract resources restricted for specific purposes and projects, and include expenses for operating, as well as capital resources.

The Corporation received \$90,000,000 on March 30, 2023, from Ministry of Public Safety and Solicitor General (the "Ministry") to support its obligation to transition to the NG911 network in compliance with the Canadian Radio-television and Telecommunications Commission mandate set for March 31, 2027. To implement NG911, Public Safety Answering Points ("PSAPs") must upgrade their equipment to be compatible with the NG911 networks and to receive IP-based 911 communications.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

11. Deferred contributions - NG911 (continued):

Deferred contributions are comprised of the following:

| | 2024 | 2023 |
|--|---------------|---------------|
| Balance, beginning of year | \$ 77,175,757 | \$ - |
| Increases during the year: | | |
| Grants from the Ministry | - | 90,000,000 |
| Decreases during the year: | | |
| Amounts recognized as revenue during the year | (6,595,273) | (1,648,126) |
| Amounts replenished to radio reserve (note 10(b)) | - | (860,919) |
| Amounts replenished to 2022 contracted Partners (note 10(f)) | - | (279,789) |
| Shared amounts related to 2022 true-up | - | (93,210) |
| Transfer to deferred capital contributions (note 12) | (8,449,043) | (9,942,199) |
| | (15,044,316) | (12,824,243) |
| Balance, end of year | \$ 62,131,441 | \$ 77,175,757 |

12. Deferred capital contributions - NG911:

Deferred capital contributions relate to grants or contract resources specifically restricted for capital asset purchases. As these tangible capital assets are amortized, revenue will be recognized to offset the amortization expenses related to these capital expenditures. The change in the deferred capital contributions balance for the year is as follows:

| | 2024 | 2023 |
|---|---------------|--------------|
| Balance, beginning of year | \$ 9,942,199 | \$ - |
| Add: transfer from deferred contributions (note 11) | 8,449,043 | 9,942,199 |
| Less: amounts amortized to revenue | - | - |
| Balance, end of year | \$ 18,391,242 | \$ 9,942,199 |

13. Asset retirement obligation:

The Corporation has recorded an asset retirement obligation ("ARO") for the estimated costs of restoring certain leased sites on which the Corporation's radio towers are situated to their original condition at the end of the lease terms. Changes in the asset retirement obligation during the year are as follows:

| | 2024 | 2023 |
|--------------------------------------|--------------|--------------|
| Balance, beginning of year | \$ 1,956,297 | \$ 1,885,830 |
| Accretion expense | 80,784 | 70,467 |
| Adjustment due to revaluation of ARO | 202,552 | - |
| Balance, end of year | \$ 2,239,633 | \$ 1,956,297 |

The undiscounted estimated cash flows required to settle the obligations range from \$6,900 to \$170,000 during the years 2024 through 2066. The cash flows are discounted using credit adjusted risk-free rates of 3.35% to 4.44% (2023 - 3.73% to 4.22%).

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

13. Asset retirement obligation (continued):

Other assumptions used by management to determine the carrying amount of the asset retirement obligation include costs to restore the leased sites to their original condition and the rate of inflation over the expected years to settlement.

There are certain leased sites with an indeterminable amount of the asset retirement obligation as adequate information is not available to estimate fair value. As such, no asset retirement obligation has been recorded in the Corporation's financial statements for these indeterminable amounts.

An independent valuation of the ARO was undertaken in 2024 which has resulted in an adjustment to revalue the estimated obligation.

14. Share capital:

(a) Authorized:

370 Class A common voting shares without par value. Following project completion, Class A shareholders are obligated to share in funding both the ongoing operations and any additional costs relating to tangible capital assets (in accordance with a cost-sharing formula). Upon a member acquiring a Class A share, that member shall have agreed to use the Corporation's wide area radio system network to which the Class A share relates.

180 Class B common restricted voting shares without par value. Following project completion, Class B shareholders can elect to become Class A shareholders on the condition that the member agrees to use the Corporation's wide area radio system network. Class B shareholders are not obligated to share in funding the ongoing operating costs.

(b) Issued:

| | 2024 | | 2023 | |
|--|------|-----|------|-----|
| 37 Class A common voting shares (2023 - 37) | \$ | 370 | \$ | 370 |
| 18 Class B common restricted voting shares (2023 - 18) | | 180 | | 180 |
| | \$ | 550 | \$ | 550 |

(c) RCMP Special User Agreement:

Due to existing Federal restrictions, the RCMP cannot become a shareholder in the Corporation. Consequently, a Special User Agreement has been executed such that the RCMP has the right to participate in the Corporation's activities project on the same terms and conditions as the Class A shareholders, including the obligation to fund both the ongoing operating costs and any additional costs relating to tangible capital assets, in accordance with a cost-sharing formula.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

15. Related party transactions:

PRIMECorp is related by virtue of executive and technology support services agreements under which certain of the Corporation's management act in executive positions for PRIMECorp and the Corporation provides technology support services to PRIMECorp. The amounts are recognized in contract service fees and miscellaneous revenue, and records management system on the Statement of Operations.

The following table summarizes transactions between PRIMECorp and the Corporation during the year:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Technical services and support | \$ 4,486,392 | \$ 3,929,127 |
| Employee secondments and employee related expenses | 2,209,331 | 2,816,711 |
| Executive services | - | 592,500 |
| Shared facilities services | 307,304 | 314,505 |
| | \$ 7,003,027 | \$ 7,652,843 |

The above transactions, unless disclosed otherwise, are considered to be in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts receivable is an amount of \$53,902 (2023 - \$784,237) due from PRIMECorp.

16. Commitments:

(a) Operating leases:

- (i) The Corporation has entered into leases of land for certain radio tower sites. These leases expire in future years from 2025 to 2066 and are renewable at the option of the Corporation. Future minimum payments under these leases, excluding option periods, are approximately as follows:

| | |
|------------|----------------------|
| 2025 | \$ 1,301,098 |
| 2026 | 1,282,976 |
| 2027 | 1,239,273 |
| 2028 | 1,257,520 |
| 2029 | 1,271,865 |
| Thereafter | 12,036,381 |
| | \$ 18,389,113 |

- (ii) The Corporation is committed under vehicle and office equipment operating leases having varying expiry dates to the year 2026. The future minimum payments under the terms of such leases are as follows:

| | |
|------|-------------------|
| 2025 | \$ 74,761 |
| 2026 | 54,077 |
| | \$ 128,838 |

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

16. Commitments (continued):

(a) Operating leases (continued):

(iii) The Corporation has entered into leases for office premises. The leases expire in future years from 2025 to 2029 and are renewable at the option of the Corporation. The future minimum payments, excluding the renewals at the option of the Corporation, are approximately as follows:

| | |
|------|--------------|
| 2025 | \$ 2,267,297 |
| 2026 | 1,548,999 |
| 2027 | 1,556,210 |
| 2028 | 1,563,421 |
| 2029 | 84,329 |
| | <hr/> |
| | \$ 7,020,256 |

(b) Municipal Pension Plan:

The Corporation and its employees contribute to the Municipal Pension Plan (the "Pension Plan"), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Pension Plan, including investment of the assets and administration of benefits. The Pension Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023, the Pension Plan has about 256,000 active members and approximately 128,000 retired members. Active members include approximately 794 contributors from the Corporation (2023 - 735 contributors).

The most recent valuation, as at December 31, 2021, indicated a funding surplus of \$3,761,000,000 for basic pension benefits. The most recent valuation was as at December 31, 2024, with results available later in 2025.

Defined contribution plan accounting is applied to the Pension Plan as the Pension Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Pension Plan assets, and costs to individual entities participating in the Pension Plan.

During the year ended December 31, 2024, the Corporation paid \$6,095,332 (2023 - \$5,615,875) for employer contributions to the Pension Plan.

(c) Service commitments:

The Corporation has a software license agreement with Motorola Solution Incorporation to provide ASTRO 25 System Upgrade II ("SUAI") for the period of January 1, 2023 to December 31, 2025. This agreement will be renewed in 2025. The information presented below shows the anticipated cash outflow for future obligations under this agreement for the software maintenance and the lifecycle cost.

| | |
|------|--------------|
| 2025 | \$ 1,827,789 |
|------|--------------|

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

17. Financial risks:

(a) Market risk:

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates, interest rates and equity prices, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on investments.

(i) Interest rate risk:

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Corporation. The Corporation is exposed to interest rate risk on its fixed interest rate financial instruments.

Fixed-rate instruments subject the Corporation to fair value risk. The Corporation is exposed to this risk as a result of investment in fixed income financial instruments.

The Corporation is also exposed to interest rate risk related to its long-term debt which is subject to fixed interest rate. Fluctuations in rates could impact future payments upon renewal.

(ii) Currency risk:

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates. The Corporation does not hold investments in foreign currencies.

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating and capital requirements. The Corporation prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from the prior year.

(c) Credit risk:

Credit risk is the risk of economic loss should the counterparty to a transaction default or otherwise fail to meet its obligation. The Corporation is exposed to credit risk through its cash, investments in fixed income, and receivables. The maximum exposure to credit risk on these instruments is their carrying value. The Corporation manages the risk by retaining professional investment counselors who act in accordance with the Corporation's investment policies. The Corporation has deposited cash with reputable financial institutions, from which management believes the risk of loss to be remote.

The Corporation has receivables from shareholder members and other government agencies, and management does not believe there is a significant credit risk. The Corporation monitors, on a regular basis, the credit risk to which the Corporation is exposed in relation to its assets and takes steps to minimize the risk of loss. There has been no change to the risk exposure from the prior year.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

18. Economic dependence:

The Corporation is economically dependent on the class A shareholder members (note 15) and the RCMP, who are obligated to share in funding both the ongoing operations and any additional costs relating to tangible capital assets (in accordance with a cost-sharing formula).

For the year ended December 31, 2024, the Corporation received approximately 64% (2023 - 60%) of its revenues through Dispatch and 9-1-1 services agreements. Approximately 32% (2023 - 38%) of the dispatch revenues is from one (2023 - one) municipality for the provision of police and fire dispatch services.

Form of Proxy

Notes to Proxy

1. Every Member has the right to appoint some other person or company of their choice, who need not be a Member, to attend and act on their behalf at the meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than the person whose name is printed herein, please insert the name of your chosen Proxyholder in the space provided (see below).
2. The shares represented by this Proxy will be voted as directed by the shareholder, however, if such direction is not made in respect of any matter, this Proxy will be voted as recommended by Management.
3. This Proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.

Appointment of Proxyholder

Please choose one of the two options below:

- ☐ The undersigned hereby appoints Doug Campbell, Board Chair

OR

- ☐ The undersigned hereby appoints _____ of _____

as the undersigned's Proxy to attend, act, and vote for all of the undersigned's shares for the undersigned and on the undersigned's behalf at the Annual General Meeting of the Members to be held on the 25th day of June, 2025, or at any adjournment or postponement thereof.

Voting (Recommendations are noted by **the highlighted text**)

| | | |
|---|--------------------------|--------------------------|
| 1. Approval of Meeting Minutes | For | Against |
| Approve the minutes of the E-Comm Annual General Meeting held June 20, 2024. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Appointment of Auditors | For | Against |
| Appoint KPMG as the Auditors of the Company for the ensuing year and authorize the Directors to fix their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Number of Directors | For | Against |
| Set the number of Directors for the 2025-26 year at 23. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Election of Directors | For | Against |
| Appoint the slate of Directors proposed by those Members entitled to nominate Directors, as presented to the Meeting. | <input type="checkbox"/> | <input type="checkbox"/> |

DATED this _____ day of _____, 2025

Name of Shareholder (Municipality/Organization)

Signature of Authorized Representative

Print Name and Title of Authorized Representative

Instructions

Submitted proxies must be signed and delivered by 9:00 a.m. on June 20, 2025, to governance@ecomm911.ca.

This Proxy may be revoked by instrument in writing delivered to the registered office of E-Comm prior to the date of the meeting or delivered to the chair of the meeting on the date of the meeting prior to any vote being cast utilizing the proxy.