

*JUNE 24, 2021*

# **SPECIAL MEETING OF E-COMM MEMBERS**

**Notice of Meeting, Form of Proxy  
and Meeting Information Circular**



- 1. Notice of Extraordinary (Special) General Meeting**
- 2. Form of Proxy**
- 3. Overview – What Changes to the Members’ Agreement are Proposed**
- 4. Update on the Status of E-Comm’s Governance Redesign Initiative**
- 5. Detailed Explanation of Proposed Changes**
  - (a) Explanatory Notes – Housekeeping Changes;*
  - (b) Explanatory Notes – Modernization and Drafting Improvement Changes; and*
  - (c) Explanatory Notes – Governance Improvement Changes.*
- 6. Link to Redlined version of the Members’ Agreement**

<https://www.ecomm911.ca/membersportal/>

*Showing all proposed Modernization, Drafting Improvement, and Governance Improvement Changes*
- 7. Anticipated Questions and Answers**

*Additional information*

*In this Information Circular:*

*The term Member and Shareholder are used interchangeably as synonymous.*

*The term Special Meeting is used to refer to the Extraordinary General Meeting of Shareholders on June 24, 2021.*

*Members’ Agreement refers to the Members’ Agreement entered into among Class A Shareholders of the Company, as amended and restated July 1, 2010.*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “Special Meeting” or “Meeting”) of the Shareholders of E-Comm Emergency Communications for British Columbia Incorporated (the “Company”) will be held on Thursday, June 24, 2021 at the hour of 10:00 a.m., via video-conferencing and tele-conferencing, to transact the following special business:

**To conduct a vote of Class A and Class B Shareholders of the Company, on proposals to:**

1. Approve an amendment to the Members’ Agreement to provide the E-Comm Southern Vancouver Island Agencies with the right to appoint a Director; and
2. Approve an amendment to the Company’s Purpose, as set out in Section 2.1 of the Members’ Agreement, and in the definition of permitted activities in Article 25 of the Company’s Articles, to fully align the language of both provisions with the language set out in the *Emergency Communications Corporations Act*; and

**To conduct a vote of Class A Shareholders of the Company, on a proposal to:**

3. Approve additional amendments to the Members’ Agreement and the Articles of the Company, including amendments to lower the special majority voting threshold for approval of extraordinary matters by the Members from 75% of shares outstanding to 2/3 of votes cast;

all as are more fully described in the Information Circular accompanying this Notice.

**OTHER INFORMATION**

**REQUIRED APPROVALS**

The proposals described at 1 and 2 above require the approval of Shareholders holding not less than 75% of the outstanding Class A and Class B shares of the Company.

The proposal described at 3 above requires the approval of Shareholders holding not less than 50% of the outstanding Class A shares of the Company.

**PROXY VOTING**

All Shareholders have the right to vote by proxy or to appoint a proxyholder to attend the Meeting on their behalf. Advance proxy voting is strongly encouraged. A form of Proxy accompanies this Notice.

**VIDEO-CONFERENCING AND TELE-CONFERENCING INSTRUCTIONS**

All Shareholders are entitled to attend the Meeting, whether or not they have voted by proxy or appointed a proxyholder. Instructions for attendance of the Meeting by video-conference or by tele-conference are as follows:

Firstly, please register in advance for the Meeting:

<https://us02web.zoom.us/meeting/register/tZUpfu2rqTguHtNRYnVTvGvnMJvPeS-NWMWQ>

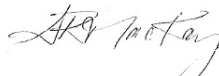
Secondly, please follow the further instructions for joining the Meeting which you will be provided by email following registration.

**ADDITIONAL INFORMATION**

The Information Circular accompanying this Notice contains further information respecting the matters to come before the Meeting. Any requests for additional information may be directed to Sandra MacKay, Corporate Secretary at [sandra.mackay@ecomm911.ca](mailto:sandra.mackay@ecomm911.ca) or to Krystal Boros, Assistant Corporate Secretary at [krystal.boros@ecomm911.ca](mailto:krystal.boros@ecomm911.ca).

DATED at Vancouver, British Columbia this 21st day of May, 2021.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'S. MacKay', is written over a faint horizontal line.

Sandra MacKay, Corporate Secretary

*Enclosures:*

1. Form of Proxy
2. Meeting Information Circular

## INSTRUCTIONS

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 persons whose names are printed below, 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 the Board of Directors.
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 Sandra MacKay, Corporate Secretary of E-Comm Emergency Communications for British Columbia Incorporated, or failing her, Doug Campbell, Board Chair;

**OR**

- ☐ The undersigned hereby appoints (*insert name:*) \_\_\_\_\_

as the undersigned's proxy to attend, act, and vote on the undersigned's behalf at the Extraordinary (Special) General Meeting of the Members to be held on the 24<sup>th</sup> day of June, 2021 or at any adjournment or postponement thereof.

## VOTING

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR IN RESPECT OF EACH PROPOSAL.**

*If the voting selections below are not completed, your proxy designate will vote in their discretion.*

**Class A and Class B Shareholders of the Company to vote:**

1. Approval of an amendment to the Members' Agreement to provide the E-Comm Southern Vancouver Island agencies with the right to appoint a Director;	For	Against
<p>To approve an amendment to section 4.2 of the Members' Agreement to include, as new section 4.2.4, the following provision:</p> <p>"4.2.4 The group comprised of: the Capital Regional District and those Vancouver Island police agencies, including any RCMP detachment, to which the Company provides police dispatching services, shall be entitled to designate one individual to act as director.";</p> <p>and, as consequential amendments, by adding reference to section 4.2.4 in sections 4.2.6, 4.2.7 and 4.3.</p>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of an amendment to the Company's Purpose, as set out in Section 2.1 of the Members' Agreement, and in the definition of permitted activities in Article 25 of the Company's Articles;	For	Against
<p>To approve an amendment to section 2.1 of the Members' Agreement and Article 25 of the Company's Articles as described in the information circular accompanying the Notice of the Extraordinary (Special) General Meeting, in order to make the language setting out the Company's Purpose and its permitted activities fully consistent with the language of the <i>Emergency Communications Corporations Act</i>.</p>	<input type="checkbox"/>	<input type="checkbox"/>

## Class A Shareholders of the Company to vote:

- 3. Approval of additional amendments to the Members' Agreement and the Articles of the Company, including, but not limited to, amendments to lower the special majority voting threshold for approval of extraordinary matters by the Members from 75% of shares outstanding to 2/3 of votes cast;**

**For**

Against

To approve those further amendments to the Members' Agreement and the Articles of the Company (other than those described at 1 and 2 above) which are proposed and described in the information circular accompanying the Notice of Extraordinary (Special) General Meeting.

☐☐

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
Name of Member *(Municipality/Organization)*

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
**Print** Name and Title

**DEADLINE**

Submitted proxies must be signed and delivered by 10:00 a.m. on June 22, 2021 to [krystal.boros@ecomm911.ca](mailto:krystal.boros@ecomm911.ca) or by hand or mail to E-Comm Emergency Communications for British Columbia Incorporated, 3301 East Pender Street, Vancouver, B.C. V3K 5J3.

*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.*

## **OVERVIEW – WHAT CHANGES TO THE MEMBERS' AGREEMENT ARE PROPOSED**

*The Board of Directors is asking all Members of the Company to vote in favour of amendments to the Members' Agreement which will be an important first step in advancing and improving E-Comm's governance model for the benefit of all stakeholders.*

### **SUMMARY OF THE PROPOSED CHANGES**

#### **1. First Proposal – providing a Director seat to E-Comm's Vancouver Island partner agencies**

First, and most importantly, an amendment is proposed to allow the Capital Regional District and the Southern Vancouver Island police agencies, to which E-Comm provides 9-1-1 call taking and police dispatch services from the new E-Comm Southern Vancouver Island Emergency Communications Centre (which group is collectively referred to as the "ECVI partners or agencies" in this overview), to appoint one Director to E-Comm's Board of Directors.

The new E-Comm Southern Vancouver Island Emergency Communications Centre (the "Centre") was purpose-built by the Capital Regional District which owns the Centre. The Centre is the first emergency communications centre established and created by E-Comm outside of the Lower Mainland. Our E-Comm Southern Vancouver Island partner agencies have made an important commitment to E-Comm, and a multi-million dollar investment – the new Centre was an important milestone in E-Comm's corporate growth and is a significant part of its current operations.

The current Members' Agreement does not allow for the ECVI agencies to be represented on E-Comm's Board, in large part because at the time E-Comm was created the geographical area in which it was expected to operate was limited to the Lower Mainland, and also because the Members' Agreement does not provide a method for clients of the organization who are not on the radio system to be provided with Board representation.

It is the view of the Board and Management of E-Comm that the ECVI partners deserve Board representation and we consider it in the best interests of all Members that the ECVI partners participate at our Board table.

THE BOARD OF DIRECTORS ASKS THAT MEMBERS VOTE YES TO PROPOSAL NUMBER ONE to allow the E-Comm Southern Vancouver Island partners to appoint, as a group, one Director. This will not result in any change to the rights of other Members to appoint their designated Director or Directors.

#### **2. Additional Amendments**

In light of the fact that a special majority of Members' support for the First Proposal is required, the Board and Management of E-Comm consider it opportune to seek approval to additional amendments to the Members' Agreement and the Company's Articles at the same time, in order to:

- Revise the language which sets out the Company's Purpose (the "Second Proposal"), both in the Members' Agreement and the Articles of the Company, so that the language mirrors precisely the definition of purpose set out in the *Emergency Communications Corporations Act* (the "ECC Act" or "Act"). While this Second Proposal is a relatively minor change, it is an important one because it would allow for E-Comm's mandate or current scope of work to be broadened by a change to the definition of purposes set out in the Act, which

can be made by a regulation under the Act. At present any change to the definition of Purpose in the Members’ Agreement requires approval by Shareholders holding not less than 75% of votes – as the First Proposal requires the same special majority, it is considered opportune to amend the definition of Purpose at the same time as the First Proposal approval is being sought, as both require this high threshold of Member voting and support.

In addition to the First Proposal and the Second Proposal, additional amendments to the Members’ Agreement are being proposed. Those additional amendments are being proposed together as the Third Proposal, and can be summarized as follows:

- In recognition of the fact that E-Comm has developed to a mature organization with a broad Shareholder base and a sophisticated Board of Directors, amendments to lower the approval threshold for a special majority of Shareholders to an approval level of 2/3 of votes cast from 3/4 of votes outstanding, and removing certain limitations on the authority of the Board of Directors are proposed – these changes are characterized in the Explanatory Notes which follow, as “Governance Improvement Changes” (Item 5(c)), and are explained in those Notes;
- Amendments to update the Agreement generally (it was last amended over 10 years ago), such as by: better defining certain terms which, given the Company’s growth and maturity, warrant more precise language than originally used and to eliminate or revise provisions which, with the passage of time and the Company’s growth, are no longer relevant or applicable – these changes are characterized in the Explanatory Notes which follow as “Modernization and Drafting Improvement Changes” (Item 5(b)), and are fully explained in those Notes;
- Amendments to: revise archaic language to make the Agreement more clear and current, tidy up the agreement with housekeeping changes to reflect such things as the change of the names of the Company, BC Emergency Health Services and Metro Vancouver since the last amendments, and remove unnecessary schedules which have become out of date. These changes are characterized in the Explanatory Notes as “Housekeeping Changes” (Item 5(a)) – changes of this type which are proposed are summarized in those Notes.

THE BOARD OF DIRECTORS ASKS THAT MEMBERS VOTE YES TO PROPOSALS NUMBER TWO AND THREE which it considers in the best interests of E-Comm and its Members.

## **VOTING**

CLASS A AND CLASS B SHAREHOLDERS ARE ENTITLED TO VOTE ON THE FIRST AND SECOND PROPOSALS WHICH REQUIRE SHAREHOLDERS HOLDING NOT LESS THAN 75% OF ALL OUTSTANDING SHARES (CLASS A AND B) TO APPROVE THE PROPOSALS.

CLASS A SHAREHOLDERS ONLY ARE ENTITLED TO VOTE ON THE THIRD PROPOSAL. THE ADDITIONAL AMENDMENTS COMPRISED IN THE THIRD PROPOSAL REQUIRE THE APPROVAL OF CLASS A SHAREHOLDERS HOLDING NOT LESS THAN 50% OF ALL OUTSTANDING CLASS A SHARES.

THE BOARD IS ASKING FOR YOUR SUPPORT TO THE FIRST, SECOND AND THIRD PROPOSALS. IT IS THE VIEW OF THE BOARD THAT THE ALL PROPOSALS ARE IN THE BEST INTERESTS OF ALL MEMBERS AND THAT NO MEMBER IS PREJUDICED BY ANY PROPOSAL.



**A FORM OF PROXY BY WHICH VOTES ON THE PROPOSALS MAY BE CAST ACCOMPANIES THIS INFORMATION CIRCULAR. WE ASK THAT YOU COMPLETE AND RETURN THE PROXY VOTING FORM, EVEN IF YOU INTEND TO HAVE A REPRESENTATIVE ATTEND THE MEETING. VOTING WILL BE CONDUCTED BY PROXY VOTING AND BY VOTING DURING THE SPECIAL MEETING.**

**FURTHER INFORMATION**

THIS MEETING INFORMATION CIRCULAR PROVIDES DETAILS WITH RESPECT TO EACH OF THE FIRST, SECOND AND THIRD PROPOSALS, INCLUDING AN EXPLANATION OF ALL PROPOSED CHANGES TO THE MEMBERS' AGREEMENT AND A LINK TO A REDLINED VERSION OF THE MEMBERS' AGREEMENT IN WHICH ALL PROPOSED AMENDMENTS ARE MARKED IN TRACKED CHANGES MODE.

**ANY QUESTIONS OR CONCERNS OR REQUESTS FOR ADDITIONAL INFORMATION MAY BE DIRECTED TO:**

Sandra MacKay, Corporate Secretary, at [Sandra.MacKay@ecomm911.ca](mailto:Sandra.MacKay@ecomm911.ca) or Krystal Boros, Assistant Corporate Secretary, at [Krystal.Boros@ecomm911.ca](mailto:Krystal.Boros@ecomm911.ca).

## **UPDATE ON THE STATUS OF E-COMM'S GOVERNANCE REDESIGN INITIATIVE**

Our Shareholders, or Members, as well as other stakeholders, know that a redesign of E-Comm's governance model is planned as one of our (a)SPIRE 2025 Strategic Plan initiatives.

An important goal of that redesign will be to ensure that E-Comm's governance structure positions E-Comm for the future in a way that allows E-Comm's stakeholders equitable and appropriate influence in the Company's governance model and affairs.

We anticipate that our Members would appreciate an update on the status of those efforts so that the proposals coming forward to the Special Meeting can be understood in that broader context.

### **SOME HISTORICAL CONTEXT**

The Company was established by its founding members to support a first of its kind Lower Mainland wide area common radio system among participating police, fire, ambulance and municipal agencies. As an integral feature of the initial E-Comm governance structure, the Members' Agreement, signed by the founding Shareholders, gave the Shareholders certain influence in the Company's decision-making, by:

- requiring that Shareholder votes be obtained on many matters;
- setting out a Board appointment structure that allowed those communities who signed on to the radio system to have a representative at the Board table;
- setting out certain authority limits on the authority of the Board of Directors; and
- establishing a committee structure (the Service and User Committees) to allow users of the radio system to have a direct line of input to the Board, as well as other influence over key decision-making.

### ***We have changed significantly since inception***

Since the Members' Agreement was created in 1997, and the Company's operations began in 1999, the Company has changed and grown significantly:

- The Company started with eight police dispatch partners and now has 73 police and fire dispatch partners;
- At inception, the Company was the 9-1-1 call answer service for two regional districts – we now service 25 regional districts and answer 99% of 9-1-1 calls within the Province;
- Initially there were 1,362 radios in service – the Company now has over 12,000 radios active or available;
- At present, by far the majority of the Company's revenues, roughly 70%, come from clients for services other than, or in addition to, the radio system services;
- There are now significantly more shares outstanding – 55 class A and B shares are outstanding at present;
- The Company's operations now extend beyond the Lower Mainland, with the establishment of the E-Comm Vancouver Island Emergency Communications Centre, a purpose-built centre, built by the Capital Regional District, which now serves 15 Southern Vancouver Island communities;

- The Company has grown to over 700 employees; and
- The Company now operates from four different locations.

***And we expect to grow and change further***

The changes which are being proposed to the Member’s Agreement at the June Special Meeting are driven by the fact that the Members’ Agreement must be amended to provide a Board seat to the Southern Vancouver Island agencies served by the E-Comm Southern Vancouver Island Emergency Communications Centre.

While we are seeking approval for that change, it seems logical to ask that Members approve certain process improvements that better position the Company for future growth and governance changes because certain of the current provisions in the Members’ Agreement (such as the stipulation that a change to how the Board is elected which is being put forward) require approval by Shareholders holding 75% of all of the outstanding shares in the Company – an extremely high threshold and one that will be challenging to achieve as a matter of practicality– seem no longer appropriate given the current state of the Company and its growth since its inception.

**WHAT’S NEXT**

*At the June meeting*

The proposals to amend the Members’ Agreement and Company Articles going forward to the Special Meeting, in addition to that for the addition of a representative from our Southern Vancouver Island Emergency Communications Centre partner agencies, will position the Company for future growth and change by:

- removing overly restrictive restraints on the authority of the Board;
- lowering the threshold for Shareholder approval of certain matters (while still requiring a substantial majority) ; and
- improving the clarity and drafting of the Members’ Agreement, by improving definitions and removing outdated provisions and archaic language.

These changes are considered a *first step* which will facilitate future substantive changes. None of the changes proposed for the June Special Meeting is detrimental to any individual Shareholder’s interests and we hope that they have your full support.

**FURTHER GOVERNANCE CHANGES**

Like so many things, progress on E-Comm’s governance initiatives was forestalled in part by the COVID-19 pandemic. Additionally, it was felt that the further redesign initiatives should be paused while some critical operational issues within the Company were stabilized, most notably the service level challenges faced in dispatch operations.

As those matters become more stabilized, E-Comm will be reinvigorating governance redesign efforts. We know that we wish to engage our dispatch partners, 9-1-1 call taking clients and other technology clients in our governance structure in a way that is equitable. We also anticipate that, as we continue to expand our service lines and our geographical reach, the Board appointment methodology set out in the Members’ Agreement may require further adjustment. As we roll out NG 9-1-1 technology, which is essentially a new service line, to existing and new clients of our organization, our governance and funding models may need readjustment for that change. And we envision that we will wish to make additional changes to reflect our commitment to objectives such as diversity and inclusion, and

our belief that there is potential for a greater role for our organization in emergency response of all kinds, including for those facing mental health challenges and marginalization. The original design, of our share structure, our Board structure, and our governance structure more generally, is not an ideal fit at the present time, and may increasingly be a limitation as we contemplate, and indeed plan for, the E-Comm of the future.

***The changes which are proposed for June, in a modest way, will facilitate that further work. We will engage with Shareholders in that process, but we hope that our existing Shareholders support that future work by voting in support of the governance, modernization and drafting improvements to the Members’ Agreement which are embodied in the three proposals being put forward for your approval at the Special Meeting.***

## **EXPLANATORY NOTES TO ALL PROPOSED REVISIONS TO THE MEMBERS' AGREEMENT AND ARTICLES**

To allow Shareholders to focus in detail, should they wish, on the matters most of interest to them, and in an effort to present the proposed revisions to the Members' Agreement and Articles as clearly as possible, the proposed revisions are grouped into three categories:

- Housekeeping Revisions;
- Modernization and Drafting Improvements; and
- Governance Improvements.

The explanatory notes which follow describe all of the proposed revisions to the Members' Agreement, by category.

### **Cross-reference to Proposals to be Voted Upon**

To assist Members wishing to particularly examine the language of the amendments which are to be voted upon in each of the three proposals to go before the Special Meeting, these may be located as follows:

- **Proposal One** – to amend the Members' Agreement to provide the E-Comm Southern Vancouver Island agencies with the right to appoint a Director.

*The proposed revision to the Members' Agreement to achieve this objective is described in Item 5(c) Explanatory Notes – Governance Improvement Revisions, in the section headed: Members' Agreement Section 4.2 – Designation and Election of Directors.*

- **Proposal Two** – approval of an amendment to the Company's Purpose as set out in section 2.1 of the Members' Agreement, and a similar amendment to Article 25 of the Company's Articles.

*The proposed revisions are described in Item 5(c) Explanatory Notes – Governance Improvement Revisions, under the headings Members' Agreement Section 2.1 Purpose and Article 25.*

- **Proposal Three** – approval of additional amendments to the Members' Agreement and the Articles of the Company, including an amendment to lower the special majority for approval of extraordinary matters by the Members from 75% of shares outstanding to 2/3 of votes cast.

*The special majority revision proposal is described in Item 5(c) Explanatory Notes – Governance Improvement Revisions, under the headings: Members' Agreement, Section 2.5 Votes by Members on Extraordinary Items and Article 11 – Votes by Members.*

*The additional amendments to be voted upon as Proposal Three are those described in the remaining provisions of Item 5(c) Explanatory Notes – Governance Improvement Revisions, and those described in Items 5(a) Explanatory Notes – Housekeeping Revisions, and Item 5(b) Explanatory Notes – Modernization and Drafting Improvements.*

## **PROPOSED HOUSEKEEPING CHANGES**

Various “housekeeping” changes are being proposed to tidy-up and bring the Members’ Agreement (the “Agreement”) up to date, all without changing the meaning of any provision, as described below:

As shown in the redlined version of the Members’ Agreement (accessible at Item 6):

### **Introductory provisions and dates**

The introductory recitals have been updated to reflect the proposed amendments as of July 1, 2021, and that date has been substituted as the anticipated effective date in the following sections:

- Introduction of Members’ Agreement;
- Section F; and
- Section 14.13

### **Correction of legal names**

- The legal names of E-Comm, BC Emergency Health Services (BCEHS) and Metro Vancouver have been updated throughout the document.

### **Modern English**

To improve the clarity and readability of the Agreement, archaic language has been removed where this can be done easily without any change in interpretation:

- All references to “set forth” have been changed to “set out”;
- “Herein” has been changed to read “in this Agreement”;
- “Hereinafter” has been replaced by “below”; and
- Words like “hereto” and “hereof” have been deleted in all instances where those words are redundant.

## **REVISIONS WHICH ARE MODERNIZATION CHANGES OR DRAFTING IMPROVEMENTS**

As a general approach, wherever possible the Agreement is revised so that it may remain “evergreen”, such that references which will become outdated over time, such as a listing of Current Members, are removed.

Additional changes which are intended to improve the drafting in, and modernize, the Agreement are shown in the redlined version of the Agreement (accessible at Item 6) and are described and explained below.

### **THE MEMBERS’ AGREEMENT**

#### **Section 1.1 - Definitions**

Defined term: Current Members

The definition of Current Members, Schedule D which listed Current Members, and references to Current Members are removed.

The Company is required to keep an updated list of all Shareholders and makes such information public. The references to Current Members are not required and lead to the Agreement’s becoming out of date.

These changes are made in sections 1.1.1, 1.1.16 and 1.1.27 and in the removing of Schedule D.

#### **Cost Sharing Formula (1.1.16)**

A definition of Cost Sharing Formula is included in the definition section and Schedule C is renamed to clarify that the Formula applies to cost sharing among radio users only (by referencing the defined terms Police, Fire, Ambulance and Municipal Services). References to the Cost Sharing Formula have been changed to refer to the defined term throughout the Agreement.

These changes are proposed to improve clarity.

#### **E-Comm Building (Removed from Definitions)**

The definition of E-Comm Building has been removed.

That definition had become out of date, given E-Comm’s expansion to Southern Vancouver Island and its use of the Training Centres and Business and Technology Centres in Burnaby, B.C. A definition of E-Comm building which is relevant to the Cost Sharing Formula is included in Schedule C. Instead of referring to the “E-Comm Building”, reference to the Company’s ability to own or lease “real property” is substituted in the definition of Purpose in subsection 2.1.2 which modernizes the language by making it more flexible.

#### **Emergency Services Agency (1.1.19)**

Added to the definitions is the term “emergency services agency”, which is a defined term in the *Emergency Communications Corporations Act* (the “ECC Act” or “Act”) as a category of organization to which E-Comm may render services. The term is defined here and also included in the definition of Potential Member so that the Members’

Agreement aligns fully with the ECC Act with respect to what organizations to which it may provide services or issues shares.

**Established Standards of Service (1.1.22)**

To clarify that the User Committee’s mandate to establish standards of service (as set out in subsection 6.2.2.1) applies to standards of service for the radio system only, the language in the definition of Established Standards of Service has been revised to make specific reference to Police, Fire, Ambulance and Municipal Services.

**Members (1.1.27)**

The definition of Members has been simplified for greater clarity, without any change to the meaning.

**New Services (1.1.30)**

For greater clarity, the definition of New Services makes reference to Police, Fire, Ambulance or Municipal Services which are not contemplated in the Cost Sharing Formula.

**Potential Members (1.1.38)**

Added to the list of Potential Members is “emergency service agency”. The ECC Act sets out what types of organizations E-Comm may render services to, and that listing includes an “emergency service agency” as defined in that Act. That category of organization is added to the definition of Potential Members.

**Rates (1.1.43)**

For greater clarity, the definition of Rates is revised to make it clear that the term applies to radio system usage only, by referencing the defined terms of Police, Fire, Ambulance and Municipal Services.

**Specified Potential Members (Removed from Definitions)**

This listing has become out of date and is not necessary. The definition of Potential Members is sufficient to allow for the admission of new Members pursuant to section 3 of the Agreement – and, as such, no Potential Member previously designated as a Specified Potential Member is impacted by this revision.

**Territory (Removed from Definitions)**

The previous definition of Territory was overly limiting in that it referenced the geographic area in which the E-Comm radio system operates, which is currently only the Lower Mainland. E-Comm provides other services outside of the Lower Mainland, such as at its Southern Vancouver Island Emergency Communications Centre, and to regional districts throughout the Province. The definition of Territory is not necessary in the Agreement, particularly because the ECC Act precisely defines those organizations to which E-Comm can render services and the purposes for which it may operate – as the definition also potentially operates as a constraint, its removal is recommended.

**Section 1.6 – Recitals and Schedules**

For the reasons described above, Schedules D and E are removed as unnecessary and because, even if they are updated to present, they will again become out of date.

**Section 2.4 – Special Rights and Restrictions with Respect to Shares**

The language in section 2.4.2.5 is revised for consistency with the heading of section 4.2 and the similar reference in subsection 2.5.1.3.



### **Section 3 – Members and Issue of Shares**

References to Specified Potential Members and to Schedule E have been removed, for the reasons set out above. Neither is necessary and there is no substantive change to how section 3 of the Agreement operates.

### **Section 4.10 – Board Duties**

4.10.1 – For greater clarity, language in section 4.10.1 has been revised to clarify that the User Committee is entitled to advise on the selection of the President, but that the terms and conditions of the employment of the President are within the Board’s authority exclusively.

4.10.11 – For greater clarity, this language has been revised to clarify that the Board is required to approve all borrowings of the Company, whether those are within or outside of Authorized Operating or Capital Budgets.

### **Section 7.2 – Financial Statements**

The opening sentence of section 7.2 has been revised to allow for other modes of delivery of financial statements to Members rather than “delivery”, such as by website posting or electronic distribution, by changing the language which requires the President to “deliver” such statements to Members and the Board to state that these must be “made available”.

With the passage of time it has not been the Company’s historical practice, nor is it a customary requirement, to provide Members with quarterly financial statements. The proposed revisions to subsection 7.2.1 would require Management to provide such statements upon request, once they become available, rather than impose an obligation to deliver them within 70 days of quarter year-end.

### **Sections 7.3 – Authorized Operating Budget and 7.4 – Authorized Capital Budget**

For greater clarity, in both sections 7.3.1 and 7.4.1, it is made clear to whom the User Committee would provide its advice on either the Authorized Operating or Authorized Capital Budgets (by expressly mentioning both the President and the Board).

### **Section 8.1 – General Requirements of Funding**

To modernize this section and reflect the potential sources of funding of the Company’s activities beyond funding provided by Members, Special Users and Paying Members, references have been added to this section to describe other potential funding sources which would be taken into account in addition to levies or rates assessed to Members. This provision as adjusted nevertheless remains consistent with the similar obligation contained in the ECC Act.

It is proposed that the current final sentence of this subsection, which states: “Notwithstanding the foregoing, it is understood that the Provincial Government will be billed directly by the RCMP for all police related services provided under the Policing Agreement” be removed. As neither the province nor the RCMP is a Member, nor a party to the Members’ Agreement, this sentence seems ill-placed and unnecessary, as what those two organizations determine as to billing as between themselves would seem most appropriately left outside of the Agreement.

### **Section 8.3 – Obligation to Pay**

Similarly, section 8.3.2 currently refers to a commitment by Members who are receiving policing services through the RCMP to pay to the RCMP amounts charged by the RCMP for E-Comm’s Company Services. Again, to modernize the

Agreement those references would seem best left outside of an Agreement to which the RCMP is not a party and given that such arrangements may change over time – it is therefore recommended section 8.3.2 be removed.

#### **Section 8.4 – Appropriation for Provincial Government**

It is recommended that Section 8.4, which provides that any obligation of the Provincial government to pay money under the Agreement is subject to the appropriation being made available in the Provincial Government's fiscal year, be removed as unnecessary. The Agreement imposes no financial obligation on the Provincial Government nor is the Province a Member or a party to the Agreement.

#### **Section 14.6 – Entire Agreement**

To improve clarity, it is recommended that overly broad language in this boilerplate clause be removed as being at odds with other provisions in the Agreement and so as to reflect the fact that the Agreement can be amended by resolution of the Members in accordance with other express terms in the Agreement.

### **ARTICLES OF THE COMPANY**

For the reasons stated above, it is recommended that the definition of Territory be removed from the Articles as unnecessary and potentially unduly restrictive.

## **PROPOSED GOVERNANCE IMPROVEMENT CHANGES**

Proposed changes to the Members' Agreement which are characterized as governance improvements are shown in the redlined version of the Agreement (accessible at Item 6) and described and explained below.

### **THE MEMBERS' AGREEMENT**

#### **Section 2.1 – Purpose of the Company**

It is proposed that the provision which sets out the Purpose of the Company be amended to make it fully consistent with the definition of Purpose in the *Emergency Communications Corporations Act* (the "ECC Act" or "Act"). That Act sets out what E-Comm, as an emergency communications corporation under that Act, may have as its primary and additional purposes, however, the current definition in section 2.5 differs in two respects:

- It does not include "emergency services agencies" as one of the categories of organizations to which E-Comm may render services;
- It adds the language "all in the interests of civic improvement and for the benefit of the public residing within the Territory" which does not appear in the Act.

It is recommended that the definition be amended to align fully with the definition set out in the Act by including reference to emergency service agencies, and by deleting the potentially narrowing language with respect to the territorial limitations and civic improvement interests, which limitations are not set out in the Act.

Together with the change described below under Articles of the Company – Article 25, this matter is the Second Proposal to be put forward to the Special Meeting – item number 2 in the form of Proxy.

**Explanation:** These changes, while minor in nature, are recommended so that the Company's definition is consistent with, and no more narrow than the definition of Purpose prescribed by the Act.

#### **Section 2.5 – Votes by Members on Extraordinary Items**

##### **Subsection 2.5.1**

A change to reduce the threshold for certain extraordinary matters which require Member approval from 75% of the votes attached to all shares to 2/3 of votes cast by Members is proposed.

**Explanation:** The current approval requirement is unusually high, particularly as it stipulates that the approval threshold is calculated based on shares outstanding rather than votes cast, which is not only not customary but also practically very problematic. This has particularly come into focus because the current special majority requirement applies with respect to the proposal to provide for a Vancouver Island representative on the Board of Directors as well as any change to E-Comm's Purpose – both of which will be proposed to the June Special Meeting. The current provision is considered an impediment to future governance changes, as these could be defeated if only a small number of Member organizations fail to vote on a matter. The proposed change would still require a significant majority of Members to support an extraordinary matter. No one Member would be negatively impacted by this proposed change, and with this change engaged Members who are interested in a given matter are better able to influence a vote outcome.

### Subsections 2.5.2, 2.5.3 and 2.5.4

Each of these subsections currently require that certain proposals, namely, for:

- (a) A cost sharing formula for New Services in an area (2.5.2);
- (b) A change to the Cost Sharing Formula (2.5.3); and
- (c) Borrowings in excess of the Authorized Operating or Capital Budgets (2.5.4);

require the approval by a vote of not less than 2/3 the shares held by Members potentially impacted.

The proposed change would adjust the approval threshold from 2/3 of shares *held* by Members potentially impacted to 2/3 of the votes *cast* by Members potentially impacted.

**Explanation:** As stated above, it is highly unusual for special majority or majority voting thresholds to be calculated based on votes eligible to be voted rather than votes cast. The current approval thresholds allow disinterested Shareholders to thwart a proposal and are impractical and costly to administer. The proposed change still requires a significant majority of Member support and allows engaged Members interested in a given matter to have greater influence on a vote outcome.

### Section 4.2 – Designation and Election of Directors

It is proposed that a new paragraph 4.2.4 be added which would provide that the group including the Capital Regional District and those Vancouver Island police agencies which utilize E-Comm's police call-taking and dispatch services be entitled to appoint a Director to the E-Comm Board.

The proposed new paragraph, which would be placed in the listing of organizations entitled to appoint Board members in section 4.2, would read:

"4.2.4 The Group comprised of: the Capital Regional District and those Vancouver Island police agencies, including any RCMP detachment, to which the Company provides police dispatching services, shall be entitled to designate one individual to act as director."

This is the First Proposal to be voted upon at the Special Meeting – item number 1 in the form of Proxy.

**Explanation:** At present, section 4 of the Agreement which sets out which organizations are entitled to appoint Board members does not allow for any Director to be appointed by the Company's new stakeholder group, the Capital Regional District and the Vancouver Island police agencies which utilize E-Comm's police call-taking and dispatch services. As detailed in the Overview – What Changes are Proposed to the Members' Agreement – Item 3 of this Information Circular, in the description of the First Proposal, the Capital Regional District and the Southern Vancouver Island partner agencies have made a significant investment in and commitment to E-Comm. The establishment of the E-Comm Southern Vancouver Island Emergency Communications Centre is an important milestone in E-Comm's growth and development. E-Comm's Board and Management consider this additional representative to the Board to be in order and in all Shareholders, and the Company's, best interests.

### Section 4.10 – Board Duties

Certain changes are proposed to the section setting out the Board's duties to better reflect the organization's current size and scope:

#### **Subsection 4.10.2**

It is proposed that the section, which currently requires the Board to approve all contracts which require payments by the Company of more than \$500,000 or which are outside the Authorized Operating Budget, be removed.

**Explanation:** The current contract language which limits the Board's authority is considered an unnecessary limitation on the Board's authority by the Shareholders, given the maturity and size of the organization and the demonstrated sophistication of the Board of Directors. The Board is responsible for oversight of the affairs of the organization and has fiduciary duties to carry out its responsibilities in the interests of all Shareholders, conscientiously and with a duty of care. It is not customary, in an organization of E-Comm's current size and maturity, for the shareholders to prescribe how the directors will supervise the affairs of the company such as is done in this subsection. The Directors are legally responsible for oversight of the Company's activities including its financial affairs and in carrying out its responsibilities the Board places appropriate limits on the authority of Management – this delegation of authority by the Board is considered best left as an internal governance matter as between the Board and Management.

#### **Subsections 4.10.6 and 4.10.9**

It is proposed that subsection 4.10.6 which requires the Board to approve the base headcount for the Company and authorize any changes, and subsection 4.10.9, which requires the Board to approve all contracts under which the Company renders services to non-Members, be removed.

**Explanation:** The current requirements for Board approval of any change to overall headcount (4.10.6) and all contracts for services by the Company to persons who are not Members are also considered unreasonable limitations on the Board's authority, for the same reasons as described above. The Board supervises staffing matters and the provision of services to non-Members in the course of its oversight of the business and affairs of the Company and its oversight of Management's activities.

#### **Section 4.11 – Approvals by the Board**

Section 4.11 sets out certain matters which require a voting approval of a 2/3 majority, rather than a simple majority, of Directors.

Subsection 4.11.2 currently stipulates that the issue of Class A Shares to additional Members requires such a special approval. It is proposed that this subsection be removed.

**Explanation:** How shares are to be issued to additional Members of the Company is carefully and well set out in Section 3.6 of the Agreement. The further requirement for a special majority of the Board of Directors is considered unnecessary and inconsistent with the comprehensive terms of section 3.6.

#### **Section 4.12 – Referral to Class A Members**

Section 4.12 allows a group comprised of not less than 30% of the Board of Directors to require that any matter be presented to Class A Members for their approval and determination. It is recommended that section 4.12 be removed.

**Explanation:** Section 4.12 is an example of a provision which may have been logical in the early stages of the Company's development when founding shareholders expected significant influence over Company decisions while the Company was in its early stages. Given the current size and sophistication of the Company, and the extent of the Shareholder base which has since broadened significantly, the provisions of section 4.12 are not considered necessary or consistent with best governance practices which distinguish clearly between matters on which shareholders have voting entitlements and matters which are within the Board's authority.

#### **Section 6.1 – Service Committees**

Section 6.1.4 specifies that either the chair or vice-chair of each Service Committee shall be a representative of an organization which not only utilizes the radio system but also receives dispatch services from E-Comm. It is recommended that this requirement be removed as a Members' Agreement obligation, but rather that each Service Committee would be free to establish such a protocol in its discretion.

**Explanation:** As the User Committee’s mandate does not extend to dispatch services, this provision is somewhat illogical and potentially makes subsequent governance changes (such as to include dispatch services agencies within E-Comm’s governance model) less logical. The Service Committees could still choose to adopt this protocol in its discretion or under its terms of reference, if there is no other like forum for clients of dispatch services. This is a minor change but one which removes what might prove to be an inconsistency with future governance changes.

### Section 10.1 – Winding Up or Dissolution

A change to section 10.1 to lower the voting approval threshold for a winding-up or dissolution of the Company to 2/3 of the votes cast by all Members rather than 2/3 of all outstanding shares is proposed.

**Explanation:** A change to the voting approval threshold on winding up or dissolution is proposed for the same reasons as, and for consistency with, the proposed changes to 2.5.1.

### Section 14.3 – Amendments

A change to section 14.3 to calculate the voting approval threshold for amendments to the Agreement (except for extraordinary matters and other matters expressly requiring a greater level of support) from 50% or more of the outstanding Class A shares to a simple majority (50% or more of votes cast on a matter) is recommended.

**Explanation:** Consistent with the changes proposed to 2.5.1 and 10.1, it is proposed that the requirement for a simple majority of the Members be calculated on votes cast rather than votes outstanding.

## **ARTICLES OF THE COMPANY**

### Article 11 – Votes by Members

#### **Article 11.1**

It is proposed that Article 11.1, which currently states:

“11.1 The majority of votes required to pass a special resolution at a meeting of shareholders is not less than 75% of the votes cast on the resolution.”;

be revised by deleting “75%” and substituting “2/3”.

**Explanation:** Under the Business Corporations Act, companies may choose the voting approval required for matters requiring approval by special resolution, within the range of 2/3 of vote cast by shareholders to 3/4 of votes cast by shareholders. Consistent with the reasons given above with respect to an appropriate special Shareholder voting threshold given E-Comm’s current size and maturity, it is proposed that section 11.1 be revised to stipulate that a special resolution requires support of 2/3 of votes cast.

#### **Article 11.9**

Article 11.9(a) provides that amendments to certain Articles (3.3, 3.4, 3.5, 12.1, 13.6, 19.1 or 25.1), as well as any winding-up or dissolution of the Company, or any other matter on which the Members’ Agreement requires approval by 75% of the votes attached to the shares held by all Members, requires approval by a majority of not less than 75% of the votes attached to the Class A and Class B Shares.

Article 11.9(b) provides that matters on which the Members’ Agreement requires approval by a vote of not less than 2/3 of the votes attached to all shares held by all of the Members shall similarly require approval by a majority of not less than 2/3 of the votes attached to all Class A and Class B Shares.

It is proposed that Article 11.9 be revised to be consistent with the proposed changes to the Members' Agreement which would set the special voting threshold as a 2/3, rather than a 75% majority, calculated on votes cast rather than shares outstanding.

**Explanation:** Consistent with, and assuming approval of, the proposed changes to the Members' Agreement which would reduce the requirement for extraordinary matter voting from 75% of votes outstanding to 2/3 votes cast, it is proposed that the language referencing the higher voting requirement in Article 11.9 (a) be removed as redundant, and that Article 11.9 (b) be revised to designate the 2/3 majority as being tallied on votes cast rather than votes outstanding, again, consistent with the proposed amendments to the special majority voting thresholds in the Members' Agreement.

#### Article 25 - Restrictions

Article 25.1 restricts the Company from carrying on any business other than the primary and additional purposes which are set out in the Emergency Communications Corporations Act, but the restriction is not completely aligned with the language of the Act nor the definition of Purpose in the Members' Agreement because:

- (a) it contains the potentially restrictive language that the provision of all services must be "all in the interests of civic improvement and for the benefit of the public residing within the territory in which the Company operates"; and
- (b) it fails to reference the potential for a broadening of the authorized activities by regulation under the Act (in this respect it differs from the definition of Purpose in the Members' Agreement).

Together with the change described above, under Members' Agreement – Section 2.1 – Purpose of the Company, this matter is the Second Proposal to be put forward to the Special Meeting – item number 2 in the form of Proxy.

**Explanation:** It is proposed that the language described in (a) above be removed, as it does not align with the Act's language and is potentially restrictive, and that the language: "and any other purpose prescribed by regulation under the ECC Act for the Company from time to time" be added, to allow for other authorized activities pursuant to any such regulation without requiring that the Articles be amended.

These changes, while minor in nature, are recommended so that the Company's definition is no more narrow than, and potentially as expansive as, the definition of Purpose prescribed by the Act. This change would also bring the Members' Agreement provisions as to Purpose in alignment with the Articles.

**LINK TO REDLINED VERSION OF MEMBERS' AGREEMENT**

Please use the following link to access the redlined version of the Members' Agreement should you wish to review all proposed revisions:

<https://www.ecomm911.ca/membersportal/>



## **ANTICIPATED QUESTIONS AND ANSWERS**

### **Who is entitled to cast a Member's vote at the Special Meeting?**

Who is entitled to cast a given Member's vote on behalf of the Member, either in person at the Meeting or by proxy, depends on the internal governance structure and delegations of authority of each organization, and as such it is not a matter on which E-Comm can advise.

In many cases we expect that the Director representing a given organization will have or be given the authority of that organization to cast the organization's vote.

In other communities or organizations we expect the senior administrative official, or his or her delegate, would have the authority of their community or organization to cast votes on its behalf, particularly because none of the amendments imposes any financial obligation, nor detrimentally affects any community or organization and because they will have the further assurance that their Director representative supports the amendments.

There may be certain communities which consider these proposals matters which should be brought forward to council of their local government. In those cases we hope that councils will consider the recommendations of the E-Comm Board and their individual Director representative.

### **How can we obtain more information?**

We will be pleased to provide any Shareholder or Member with any additional information which they may require in order to determine how it wishes to vote on the business coming before the Special Meeting. Please direct any enquiries to:

Sandra MacKay, Corporate Secretary  
E-Comm Emergency Communications for British Columbia Limited  
[Sandra.Mackay@ecomm911.ca](mailto:Sandra.Mackay@ecomm911.ca)  
Cell: (604) 218 6851

### **Why was an Extraordinary or Special General Meeting called?**

Under the Company's Articles, any business to be transacted at a meeting of Shareholders other than regular annual general meeting business is considered "special business" and any meeting of Shareholders other than the annual general meeting is deemed to be an "extraordinary" general meeting. As the proposals being put to Shareholders are not regular annual general meeting matters, the business of the meeting is considered "special" and the meeting to consider the proposals is an "extraordinary" or "special" general meeting.

### **Why are we being asked to vote by proxy?**

In order for the First and Second Proposals to be passed, a very high threshold of Shareholder approval is required – Shareholders holding not less than 75% of all outstanding shares (Class A and Class B) must vote on and approve the proposals in order for them to pass. The Company is asking Shareholders to vote by proxy well in advance of the Meeting so that we are able to reach out to any Shareholder which has not yet voted to ensure that they do so, or

intend to do so, in advance of or at the Meeting. A Member's representative may attend the Meeting in any event, even if a proxy has been submitted. A proxy may also be cancelled at any time before the day before the Meeting.

### Why are some shares Class A and others Class B?

Under the Members' Agreement, a Class A share may be issued to an organization which utilizes the E-Comm radio system for police, fire, ambulance or municipal services. The Class A Shareholders are the current users of the E-Comm radio system.

Class B shares are held by organizations which, dating back many years ago, indicated an intention of utilizing the E-Comm radio system at a future date.

At present, there are only two holders of Class B shares which are not also holders of Class A shares.

### Why can Class B Shareholders only vote on the first two proposals?

The Member's Agreement and Articles grant Class B Shareholders limited voting rights on specific matters only. Only the First Proposal and the Second Proposal are matters on which the Class B Shareholders have voting rights (as set out in Section 2.5 of the Members' Agreement and Article 11).

### How do we know how many shares we hold?

The Company will assume that all shares held by a given Shareholder are being voted in accordance with directions given in a submitted Proxy. For reference, a listing of all Shareholders of the Company, as at May 21, 2021, is below:

Shareholder	Class A	Class B
Abbotsford	1	0
Abbotsford Police Board	1	0
BCEHS	1	0
Belcarra	0	3
Burnaby	1	0
City of Delta	1	1
Coquitlam	2	1
Delta Police Board	1	0
Langley, City	1	0
Langley, Township	2	1
Lions Bay	1	0
Maple Ridge	1	2
Metro Vancouver	0	1
New Westminster	1	1
New Westminster Police Board	1	0

Shareholder	Class A	Class B
North Vancouver, City	2	1
North Vancouver, District	1	1
Pitt Meadows	1	2
Port Coquitlam	2	1
Port Moody	1	1
Port Moody Police Board	1	0
Richmond	2	1
Surrey	2	1
Transit Police Board	1	0
TransLink	1	0
Vancouver	1	1
Vancouver Police Board	1	0
West Vancouver	1	1
West Vancouver Police Board	1	0
White Rock	2	0