Asset Management reinvestment plan Information Technology

Peel's Information Technology infrastructure is currently in good condition to support mobile and remote work across the organization ensuring secure and reliable connectivity for internal operations and public facing services. Ongoing data collection is being undertaken to ensure regular refreshing of the asset data, and the inclusion of all asset types in routine asset management reporting.

10 year summary

Table 1. Current state and 10 year plan (in $ millions)

Current rating	Current replacement value	10 year forecasted SoGR reinvestment needs	10 year SoGR Capital Plan reinvestments	10 year forecasted rating
◐ Good	20.2	32.5	30.5	● Very Good

Table 1 shows that the current overall infrastructure state for Information Technology is 'Good'. The estimated replacement value of these assets is $20.2 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $30.5 million to maintain the infrastructure in a SoGR. These planned investments are lower than the forecasted needs of $32.5 million over the same period. Lower reinvestment in the 2026 Capital Plan is driven by data limitations, with improvements expected through a planned data management strategy.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

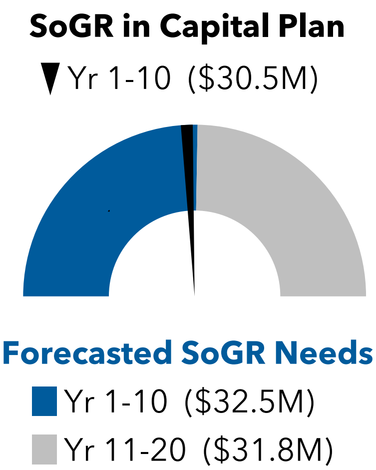


Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $30.5 million are lower than the forecasted needs of $32.5 million, driven by data limitations, with improvements expected through a planned data management strategy. The chart also shows that SoGR needs are expected to remain comparable in the following 10 years.

State of the infrastructure

Current infrastructure

The Information Technology portfolio is comprised of 5,731 End User Devices (laptops, tablets, cell phones) and 590 Network Infrastructure (server, storage devices etc.) assets. The average age of the assets is 6 years.

Replacement value

The total replacement value of assets for the Information Technology portfolio is estimated at $20.2 million, based on 2024 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading

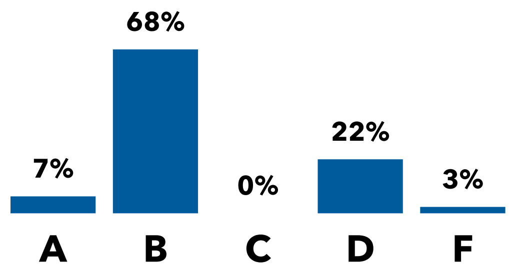


Figure 2 shows:

- 7% of assets are rated Grade A, representing new or like new condition.
- 68% are rated Grade B, representing in a state of good repair.
- 22% are rated Grade D, indicating some critical defects and many critical repairs expected soon.
- 3% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.
- No assets are rated Grade C.

[1] Descriptions of the Condition Rating are included in Appendix II Reading Guide

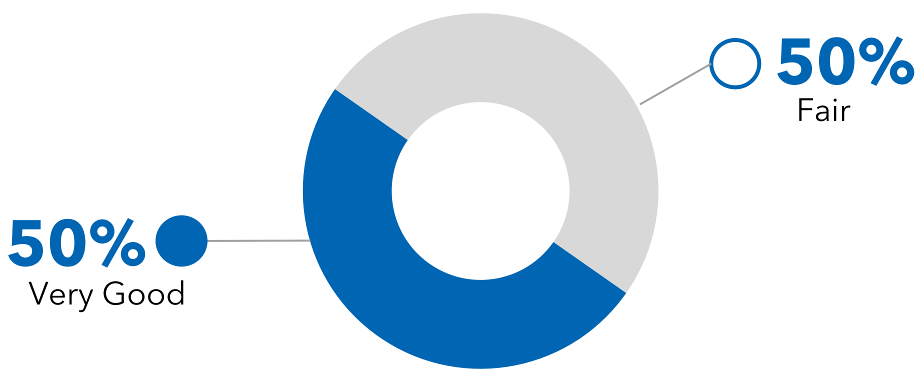
Current infrastructure Risk Management Rating

The current overall 2026 infrastructure Risk Management Rating for the Information Technology portfolio is 'Good.'

Figure 3 illustrates that within the portfolio:

- 50% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 50% of asset classes are in Fair state, indicating that many assets are not achieving the desired targets.
- There are no asset classes in Good, Poor, or Very Poor state.

Figure 3. Current infrastructure Risk Management Rating



Target customer level of service[2]

Our customers should expect Peel to:

- Provide high quality support to enable Peel Region programs to serve external customers better.
- Provide the best IT solutions to help regional teams reach their goals.

[2] Definition of Customer Level of Service is included in Appendix III The Enterprise Asset Management Strategy

Infrastructure reinvestment plan

Table 2. 10 year state of good repair reinvestments

Forecasted needs	Capital Plan
$32.5 million	$30.5 million

Table 2 shows that reinvestments of $30.5 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments are lower than the forecasted needs of $32.5 million over the same period.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$1.2 million	5.9%

Table 3 shows that operations and maintenance expenses for the Information Technology portfolio are approximately $1.2 million per year, representing 5.9% of the asset replacement value. These expenses support facility operations and maintenance activities. As part of the whole lifecycle strategy, these costs are regularly reviewed and will be optimized over time as asset management tools and technology improve.

10 year infrastructure Risk Management Rating with Capital Plan reinvestments

In 10 years (2035), the overall infrastructure Risk Management Rating for the Information Technology portfolio is forecasted to increase to 'Very Good.'

Figure 4 illustrates that within the portfolio:

- 100% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- There are no asset classes in Good, Fair, Poor, or Very Poor state.

Figure 4. 10 year infrastructure Risk Management Rating