VESTCOR CORP

# 2025

## ANNUAL REPORT

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**Vestcor Corp.**
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# WHO WE ARE

Vestcor Corp. was established pursuant to the *Vestcor Act* which was proclaimed on July 8, 2016. Vestcor Corp.'s mandate is to provide, through its wholly owned subsidiary, Vestcor Inc., a cost-effective, integrated investment management, pension, and benefit service delivery platform to public sector entities.

## Board of Directors

**Robert Fitzpatrick**
Presiding Co-Chair

**Leonard Lee-White**[2]
**CFA**
Director

**Katherine Greenbank**
**BBA, CPA, CMA**
Co-Chair

**Marcel Larocque**
Director

**Sébastien Deschênes**
**DBA, CFA, CPA, ICD.D**
Director

**Susie Proulx-Daigle**
Director

**Larry Jamieson**
Director

**Marilyn Quinn**
Director

**Natalie Kenny**[1]
**PPAC**
Director

[1] Natalie Kenny was appointed to the Vestcor Corp. Board of Directors in September 2025.

[2] Leonard Lee-White's term on the Vestcor Corp. Board of Directors ended in September 2025.

## Corporate Officers

**Sean Hewitt**
**CFA, ICD.D**
Chief Executive Officer

**Brent Henry**
**CPA, CA**
Chief Financial Officer

**Jennie Noel-Thériault**
**GPC.D**
Secretary of the Vestcor Corp. Board of Directors

# MESSAGE FROM THE CO-CHAIRS

On behalf of the Vestcor Corp. Board of Directors, we are pleased to present our ninth Annual Report.

This report provides a summary of our activities in overseeing our operating company subsidiary, Vestcor Inc., in 2025. It also includes audited non-consolidated financial statements for Vestcor Corp. in our role as shareholder of Vestcor Inc., which publishes its own Annual Report, available at vestcor.org/annualreports.

Vestcor Corp. is governed by a Board of Directors, with Directors appointed equally by our Founding Members: the New Brunswick Public Service Pension Plan (NBPSPP) and the New Brunswick Teachers' Pension Plan (NBTPP). In turn, our subsidiary, Vestcor Inc., is governed by an independent Board of Directors appointed by Vestcor Corp.

**Recent Activities**

The Board met twice in 2025, and a summary of our accomplishments is provided on page 8. Of note was the reappointment of three Vestcor Inc. Directors whose terms were expiring: David Losier, Eleanor Marshall, and Courtney Pringle-Carver; and the appointment of two new Directors: Patricia Kiley and Andrew Jeffries. In 2025, six Vestcor Corp. Board Directors were reappointed: Robert Fitzpatrick, Larry Jamieson, and Marcel Larocque from the NBTPP Board of Trustees as well as Susie Proulx-Daigle, Marilyn Quinn, and Sébastien Deschênes from the NBPSPP Board of Trustees. Furthermore, we were happy to welcome Natalie Kenny from the NBTPP Board of Trustees for a first term with us. Finally, Robert was honoured to be reappointed for another three-year term as Co-Chair, presiding during alternate years with Co-Chair Katherine.

On behalf of the Board, we wish to thank the great Vestcor Inc. team, including employees, the Management Team, and the Vestcor Inc. Board for another successful year. Together, they delivered prudent and cost-effective investment and administration services to clients and their members, while navigating a mix of external challenges like significant inflation, market volatility, and substantial member service and application volumes. Throughout all this, the Vestcor Inc. team continued to meet our clients' long-term goals and deliver on the organization's raison d'être, to be **the most valuable and reliable partner in shaping and delivering financial security and confidence for our clients and their beneficiaries.**

We wish to thank Leonard Lee-White for his diligent service on the Vestcor Corp. Board since its inception in 2016, culminating in September 2025. Leonard's depth and breadth of knowledge was instrumental in the foundational years and subsequent growth of Vestcor Corp. and Vestcor Inc.

[signed by]

| | |
|---|---|
| **Robert Fitzpatrick**<br>Presiding Co-Chair | **Katherine Greenbank**<br>Co-Chair |

June 22, 2026
Fredericton, New Brunswick

# CORPORATE GOVERNANCE

Under the *Vestcor Act* (the “Act”), Vestcor Corp. was established as a non-share, not-for-profit corporation that is owned by its Founding Members (the "Members"), currently the New Brunswick Public Service Pension Plan (NBPSPP) and the New Brunswick Teachers’ Pension Plan (NBTPP). Vestcor Corp.’s purpose is to be a holding company for Vestcor Inc.

Vestcor Corp. and Vestcor Inc. (collectively the “Vestcor Group”), operate on a commercial basis using sound business practices. The Act also requires that each Member of Vestcor Corp. be a client of Vestcor Inc.

The Act provides for the Board of Directors of Vestcor Corp. (the “Board”) to consist of a minimum of eight Directors: four appointed by the NBPSPP Board of Trustees and four by the NBTPP Board of Trustees. The Board may be increased by up to four seats in the event new Members are admitted.

Each Director is appointed for a term of three years and may be reappointed at the discretion of the appointing Member. The Board elects two Directors to be Co-Chairs who preside over Board affairs on an alternating twelve-month basis. The Members’ Agreement between the NBPSPP and NBTPP further describes the decision-making processes to be followed for the oversight of the Vestcor Group.

The Act and the Members’ Agreement require the approval of the Members for the admission of any new Member, any amalgamation, restructuring, or dissolution of any Vestcor Group companies, any changes to the by-laws of each company in the Vestcor Group, and the appointment or dismissal of the external independent auditor.

The Board is mandated under the Act or the Members’ Agreement to:

- Approve the by-laws and any changes to the by-laws for each company in the Vestcor Group.
- Approve the remuneration and travel expense policy for Directors of the Vestcor Group.
- Appoint an independent Board of Directors for Vestcor Inc., the operating company.
- Approve the annual operating and capital expenditure budgets for Vestcor Inc.
- Provide an annual report of Vestcor Corp.’s activities to its Members.

The *Vestcor Act* and the Members’ Agreement can be found at **vestcor.org/vestcorcorp**.

Vestcor Corp. Directors are subject to a Code of Ethics and Business Conduct that requires each Director to confirm, by signing and submitting an annual declaration, their ongoing awareness of the code and its provisions and their compliance during the past year. The applicable annual declaration of compliance was received from each Director in 2025.

## Board Meeting Attendance

The Board of Directors was appointed by the Members to be effective upon proclamation of the *Vestcor Act*. Board members are expected to attend the Board meetings.

The table to the right provides the number of meetings held as well as attendance by each of the appointed Directors during the year ended December 31, 2025.

All Directors have completed the Director Orientation Program that assists new Directors in understanding the mandate of Vestcor Corp.

| Director | Appointing Member | Meeting Attendance Regular Business |
|---|---|---|
| **Robert Fitzpatrick** Presiding Co-Chair | NBTPP | 2/2 |
| **Katherine Greenbank** Co-Chair | NBPSPP | 2/2 |
| **Sébastien Deschênes** | NBPSPP | 2/2 |
| **Larry Jamieson** | NBTPP | 2/2 |
| **Natalie Kenny**[1] | NBTPP | 1/1 |
| **Leonard Lee-White**[2] | NBTPP | 0/1 |
| **Marcel Larocque** | NBTPP | 2/2 |
| **Susie Proulx-Daigle** | NBPSPP | 2/2 |
| **Marilyn Quinn** | NBPSPP | 1/2 |

[1] Natalie Kenny was appointed in September 2025.
[2] Leonard Lee-White's term ended in September 2025.

## Director Remuneration

Director remuneration is established in Vestcor Corp.'s by-laws and includes a per diem allowance for meeting attendance and preparation time.

Directors who travel to attend meetings receive a per diem for travel time, reimbursement for reasonable accommodation costs and other out-of-pocket expenses, as well as a travel expense reimbursement based on the number of kilometres travelled.

| | 2025 | 2024 |
|---|---|---|
| Meeting and Translation Expenses | $5,330 | $5,481 |
| Travel and Accommodations | 1,395 | 1,778 |
| Per Diems | 9,700 | 11,525 |
| | **$16,426** | **$18,784** |

**The cost of the Board functions for 2025 was $16,426, compared to $18,784 in 2024.**

## Board Actions

Major accomplishments during the year ended December 31, 2025 and the information reviewed by the Board:

- Received a Vestcor Inc. governance update and a series of related highlights from the Chairperson of Vestcor Inc.'s Board at each meeting
- Held an in-camera meeting with the Chairperson of Vestcor Inc. at each Board meeting to continue to foster an effective relationship and to discuss strategic direction and accomplishments
- Received and approved the 2024 Vestcor Corp. Audit Findings Report from the external auditor
- Reviewed and approved the Vestcor Corp. audited non-consolidated financial statements for the year ended December 31, 2024
- Reviewed and approved the 2024 Vestcor Corp. Annual Report
- Received the 2024 Vestcor Inc. Annual Report
- Approved the recommendation from the Vestcor Inc. Board of Directors to reappoint David Losier, Eleanor Marshall, and Courtney Pringle-Carver to the Vestcor Inc. Board of Directors for three-year terms
- Approved the recommendation from the Vestcor Inc. Board of Directors to appoint Patricia Kiley and Andrew Jefferies to the Vestcor Inc. Board of Directors for three-year terms
- Received confirmation from the NBTPP Board of Trustees of their reappointment of Robert Fitzpatrick, Larry Jamieson, Marcel Larocque, and their appointment of Natalie Kenny, as Directors of Vestcor Corp. for three-year terms
- Received confirmation from the NBPSPP Board of Trustees of their reappointment of Marilyn Quinn, Susie Proulx-Daigle, and Sébastien Deschênes as Directors of Vestcor Corp. for three-year terms
- Reconfirmed the appointment of Vestcor Group's external auditor
- Reviewed and approved the 2025 Vestcor Corp. Audit Plan from the external auditor
- Reviewed and approved the renewal of the Vestcor Group insurance program including coverages, deductibles, and premiums
- Reviewed and approved the 2026 operating and capital budgets for Vestcor Corp. and for Vestcor Inc.
- Conducted the annual review of the Vestcor Corp. Board of Directors Remuneration and Travel Expenses Policy
- Conducted the annual review of the Vestcor Corp. Code of Ethics and Business Conduct and received the annual declaration of compliance from each Vestcor Corp. Director
- Reviewed and approved changes to the Vestcor Corp. By-Law No. 1 and the Vestcor Inc. By-Law 2018-1 following an external legal review of the by-laws
- Reviewed and approved changes to the Vestcor Inc. Director Compensation Policy
- Approved the reappointment of Robert Fitzpatrick as Co-Chair of Vestcor Corp. for a final three-year term

VESTCOR CORP

# NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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Canada
Tel 506 452 8000
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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Vestcor Corp.

## *Opinion*

We have audited the non-consolidated financial statements of Vestcor Corp. (the Entity), which comprise:

- the non-consolidated statement of financial position as at December 31, 2025
- the non-consolidated statement of operations and changes in net assets for the year then ended
- the non-consolidated statements of cash flows for the year then ended
- and notes to the non-consolidated 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 non-consolidated financial position of the Entity as at December 31, 2025, and its non-consolidated results of operations and its non-consolidated 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 organizations, 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.

KPMG



- 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.
- 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

Fredericton, Canada

June 22, 2026

**VESTCOR CORP.**
**Non-Consolidated Statement of Financial Position**
As at December 31

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current | | | | |
| Cash | $ | 111 | $ | 329 |
| Accounts receivable *(note 5)* | | 3,066 | | 8,592 |
| Current portion of term loan *(note 3)* | | 163,149 | | 126,854 |
| Total current assets | | 166,326 | | 135,775 |
| Investment in subsidiary *(note 3)* | | 2,000 | | 2,000 |
| Long-term portion of term loan *(note 3)* | | 3,311,868 | | 2,167,083 |
| | $ | 3,480,194 | $ | 2,304,858 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current | | | | |
| Accounts payable and accrued liabilities *(note 4)* | $ | 5,177 | $ | 10,921 |
| Current portion of term loan from shareholders *(note 5)* | | 163,149 | | 126,854 |
| Total current liabilities | | 168,326 | | 137,775 |
| Term loan from shareholders *(note 5)* | | 3,311,868 | | 2,167,083 |
| Total liabilities | | 3,480,194 | | 2,304,858 |
| Unrestricted net assets | | — | | — |
| | $ | 3,480,194 | $ | 2,304,858 |

*See accompanying notes to financial statements*

Approved on behalf of the Board:

[signed]

Robert Fitzpatrick
Presiding Co-Chair of the Board

[signed]

Katherine Greenbank
Co-Chair of the Board

**VESTCOR CORP.**
**Non-Consolidated Statement of Operations and Change in Net Assets**
**For the year ended December 31**

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Members' contributions *(note 5)* | $ | 32,620 | $ | 29,158 |
| Interest | | 35,708 | | 37,717 |
| **Total revenue** | | 68,328 | | 66,875 |
| **EXPENSES** | | | | |
| Board remuneration | | 9,700 | | 11,525 |
| Board travel | | 1,395 | | 1,778 |
| Translation | | 3,629 | | 4,016 |
| Interest | | 35,708 | | 37,717 |
| Business expenses | | 9,131 | | 1,975 |
| Professional services | | 8,765 | | 9,864 |
| **Total expenses** | | 68,328 | | 66,875 |
| **Excess of revenue over expenses** | | — | | — |
| **Unrestricted net assets, beginning of year** | | — | | — |
| **UNRESTRICTED NET ASSETS, end of year** | $ | — | $ | — |

*See accompanying notes to financial statements*

**VESTCOR CORP.**
**Non-Consolidated Statement of Cash Flow**
For the year ended December 31

| | 2025 | 2024 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| **Excess of revenue over expenses** | $ — | $ — |
| Changes in non-cash operating working capital: | | |
| Accounts receivable | 5,526 | (3,496) |
| Accounts receivable from Vestcor Inc. | — | — |
| Other receivable | — | — |
| Accounts payable and liabilities | (5,744) | 2,986 |
| Net cash from (used in) operating activities | (218) | (510) |
| **INVESTING ACTIVITIES** | | |
| Advance of term loan to Vestcor Inc. | (1,307,934) | — |
| Loan payments from Vestcor Inc. | 126,854 | 124,845 |
| Net cash used in investing activities | (1,181,080) | 124,845 |
| **FINANCING ACTIVITIES** | | |
| Proceeds of term loan from shareholders | 1,307,934 | |
| Loan payments to shareholders | (126,854) | (124,845) |
| Net cash from financing activity | 1,181,080 | (124,845) |
| **CHANGE IN CASH DURING YEAR** | (218) | (510) |
| Cash, beginning of year | 329 | 839 |
| **CASH, END OF YEAR** | $ 111 | $ 329 |

*See accompanying notes to financial statements*

**VESTCOR CORP.**
**Notes to Non-Consolidated Financial Statements**
Year ended December 31, 2025

## 1. Nature of Operations

Vestcor Corp. ("VCorp.") was established pursuant to the *Vestcor Act* which was proclaimed on July 8, 2016. VCorp.'s mandate is to provide, through one or more subsidiary corporations, pension and benefits administration, investment management and advisory services and related services to pension, trust, endowment or similar funds within the public sector.

VCorp. is a not-for-profit organization without share capital whose Members consist of the New Brunswick Public Service Pension Plan ("NBPSPP") and the New Brunswick Teachers' Pension Plan ("NBTPP").

VCorp. recovers all operating expenses and capital expenditures on a cost-recovery basis from its Members. VCorp. is exempt from income taxes under Subsection 149(1)(l) of the *Income Tax Act* (Canada).

## 2. Significant Accounting Policies

*(a) Basis of presentation*

These non-consolidated financial statements have been prepared in accordance with CPA Handbook Part III – *Accounting Standards for Not-for-Profit Organizations*. The significant accounting policies used in the preparation of these financial statements are as follows:

*(b) Revenue recognition*

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. VCorp. follows the deferral method of accounting for contributions. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding with amortization rates for the related capital assets.

*(c) Financial instruments*

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry any such financial instruments at fair value. VCorp. has not elected to carry any such financial instruments at fair value.

Financial assets 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 indicator of impairment, VCorp. 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 VCorp. 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.

**2. Significant Accounting Policies *(continued)***

*(d) Use of estimates*

The preparation of the 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 the financial statements and the reported amounts of revenue and expenses during the year. The key item subject to such estimates and assumptions is the net recoverable amount of accounts receivable.

**3. Investment in Subsidiary**

VCorp. owns 100% of the issued capital stock of Vestcor Inc. ("Vestcor"), a not-for-profit share capital corporation created on January 1, 2018 following the amalgamation of two predecessor entities: Vestcor Pension Services Corporation and Vestcor Investment Management Corporation. Vestcor offers investment management and pension and benefits plan administration services on a cost-recovery basis to public sector entities.

Under an unsecured term loan agreement, Vestcor may draw advances up to a maximum amount of $3,000,000 for certain capital expenditures including leasehold improvements, furniture, and equipment. As of December 31, 2025, the loan receivable was $2,167,083 (2024 - $2,293,937). The loan bears interest at a rate of 1.597% per annum and matures on December 31, 2040. It is repayable in equal monthly installments consisting of principal and interest. Expected loan repayments over the next five years are approximately $162,500 per year.

During the year, VCorp. entered into a second unsecured term loan agreement that permits advances up to a combined maximum amount of $1.8 million in equal parts from each Member for certain capital expenditures including leasehold improvements, furniture, and equipment. As of December 31, 2025, the loan receivable was $ 1,307,934 (2024 - nil). The loan is estimated to bear interest at a rate of 3.76% per annum and matures on December 31, 2040. The loan is repayable in equal monthly installments consisting of principal and interest, with payments commencing in July 2026. Expected loan repayments over the next five years are shown in the table below:

| Year | Expected Loan Repayments |
|---|---|
| 2026 | $80,614 |
| 2027-2030 | $161,227 |

Vestcor owns 100% of Vestcor Investments General Partner, Inc. As at December 31, 2025, Vestcor Investments General Partner, Inc. is the general partner in six limited partnerships in which the NBPSPP and NBTPP are limited partners: Vestcor Investments Private Real Estate, L.P.; Vestcor Investments Private Real Estate 2, L.P.; Vestcor Real Estate Fund Limited Partnership; Vestcor Investments Infrastructure, L.P.; Vestcor Investments Private Equity, L.P. and Vestcor Alternative Fixed Income, L.P.

**4. Government remittances**

Included in accounts payable and accrued liabilities in the Statement of Financial Position are government remittances at December 31, 2025, which include amounts payable for GST/HST of $1,612 (2024 – $1,857).

**VESTCOR CORP.**
**Notes to Non-Consolidated Financial Statements**
Year ended December 31, 2025

**5. Related Party Transactions and Balances**

VCorp. is an organization owned in equal parts by each of the NBPSPP and NBTPP.

VCorp. incurs costs relating to the functioning of its Board of Directors and its investment in Vestcor that are recoverable from its Members, the NBPSPP, and NBTPP. For the year ended December 31, 2025, each Member's share of such costs was $16,310 (2024 – $14,579) which is included in Members' contributions in the Statement of Operations and Changes in Net Assets. At December 31, 2025, $1,533 (2024 – $4,296) from both the NBPSPP and NBTPP respectively were recorded in accounts receivable for such costs.

Under an unsecured term loan agreement, VCorp. may draw advances up to a combined maximum amount of $3,000,000 in equal parts from each Member for certain capital expenditures including leasehold improvements, furniture, and equipment. At December 31, 2025, the loan payable to each shareholder, the NBPSPP and NBTPP, was $1,083,541 (2024 - $1,146,968) respectively. The loan bears interest at a rate of 1.597% per annum and matures on December 31, 2040. It is repayable in equal monthly installments consisting of principal and interest. Expected loan repayments over the next five years are approximately $162,500 per year.

On June 19, 2025, VCorp. entered into a second unsecured term loan agreement that permits advances up to a combined maximum amount of $1.8 million in equal parts from each Member for certain capital expenditures including leasehold improvements, furniture, and equipment. At December 31, 2025, the loan payable to each shareholder, the NBPSPP and NBTPP, was $653,967 (2024 - nil) respectively. The loan bears interest at a rate of 3.76% per annum and matures on December 31, 2040. The loan is repayable in equal monthly installments consisting of principal and interest, with payments commencing in July 2026. If the full loan is used, expected loan repayments total approximately $80,613 in 2026 and approximately $161,227 over the subsequent four years.

VCorp. is economically dependent upon the revenue received from its Members by virtue of the cost recovery business model under which it operates.

**6. Indemnifications**

VCorp. provides indemnifications to its officers and directors pursuant to certain corporate by-laws. VCorp. may be required to compensate these individuals in the event of a claim being made against them. The contingent nature of these indemnification obligations prevents VCorp. from making a reasonable estimate of the maximum potential payments that VCorp. would be required to make. To date, VCorp. has not received any claims nor made any payments pursuant to such indemnifications.

**7. Financial Risk**

VCorp. has exposure to credit risk. Credit risk arises from the potential that a counterparty will fail to perform its obligations. VCorp. is exposed to credit risk equal to the carrying value of its accounts receivable which have all been collected subsequent to the date of the financial statements. Liquidity risk is the risk that VCorp. will not be able to fund its obligations when they become due. VCorp. operates on a cash recovery basis and is dependent on the revenue received from its members. In management's opinion, VCorp. is not exposed to any other financial risks.