

MATERIAL CHANGE REPORT

1. Name and address of the Company

Extreme CCTV Inc. (“Extreme” or the “Company”)
3021 Underhill Ave.
Burnaby, B.C.
V5A 3C2

2. Date of Material Change

December 13, 2007

3. News Release

The news release was issued in Burnaby, British Columbia and was disseminated through CCN Mathews on December 13, 2007.

4. Summary of Material Change

Extreme announced on December 13, 2007 that it had entered into a combination agreement (the “Combination Agreement”) with Robert Bosch GmbH, a German corporation (“Bosch”) and 6886159 Canada Inc. (“Bosch Subco”), its wholly owned Canadian subsidiary, whereby, subject to the terms and conditions of the Combination Agreement, Bosch Subco will acquire all of the outstanding Common Shares and all outstanding stock options for Common Shares shall be cancelled, pursuant to a plan of arrangement (the “Arrangement”). Pursuant to the Combination Agreement, and assuming the transaction (the “Bosch Transaction”) described therein closes and the Arrangement becomes effective, shareholders of Extreme will receive \$5.00 for each Common Share held and option holders of Extreme will receive the amount equal to \$5.00 less the exercise price applicable to the stock option for each stock option held, resulting in an aggregate purchase price of approximately \$93 million.

5. Full Description of Material Change

On December 13, 2007, Extreme entered into a the Combination Agreement whereby, subject to the terms and conditions of the Combination Agreement, Bosch Subco will acquire all of the outstanding Common Shares in the capital of Extreme and all outstanding stock options for Common Shares shall be cancelled, pursuant to the Arrangement. Pursuant to the Combination Agreement, and assuming the Bosch Transaction described therein closes and the Arrangement becomes effective, shareholders of Extreme will receive \$5.00 for each Common Share held and option holders of Extreme will receive the amount equal to \$5.00 less the exercise price applicable to the stock option for each stock option held, resulting in an aggregate purchase price of approximately \$93 million. The purchase price per Common Share represents a 30% premium over Extreme’s 30-

day average price as at the date of the announcement. The Bosch Transaction is expected to close during the quarter ended March 31, 2008.

Following the closing of the transaction, Extreme will become part of Bosch's security systems division. The Bosch Group is a global supplier of technology and services in the areas of automotive and industrial technology, consumer goods and building technology. The Bosch Group comprises Robert Bosch GmbH and its roughly 300 subsidiary and regional companies in over 50 countries.

The Combination Agreement is subject to certain terms and conditions, including:

- the approval of the Arrangement by Extreme's shareholders and option holders, in accordance with the requirements of the Canada Business Corporations Act ("CBCA") and British Columbia Supreme Court;
- that shareholders holding not more than 10% of the Common Shares shall have exercised their dissent rights under the CBCA;
- the approval of the Arrangement by the British Columbia Supreme Court, as required under the CBCA;
- the approval of the Bosch Transaction by any governmental or regulatory body, if required; and
- other customary conditions.

The Combination Agreement requires that the Company cease any solicitation, encouragement, discussion or negotiation with any party that may be ongoing with respect to another Acquisition Proposal (as defined in the Combination Agreement) and that the Company not solicit, initiate, encourage or facilitate any inquiries, discussions or negotiations regarding any Acquisition Proposal or withdraw, modify or qualify in a manner adverse to Bosch the approval or recommendation of the Extreme Board of Directors or enter into any agreement relating to an Acquisition Proposal. Despite the foregoing, Extreme and its Board may, prior to the approval of the Arrangement by the securityholders, participate in any discussions or negotiations relating to the receipt of a bona fide written Acquisition Proposal, which was not solicited or encouraged after the date of the Combination Agreement and did not otherwise result from a breach of the prohibitions in the Combination Agreement, and which the directors determine in good faith after consultation with its financial advisors and outside legal counsel, is a Superior Proposal (as defined in the Combination Agreement) and provided certain notice provisions have been complied with. The Combination Agreement provides that Extreme may accept, approve, recommend or enter into an agreement in respect of the Superior Proposal and terminate the Combination Agreement, subject to the terms of the Combination Agreement including the right of Bosch and Bosch Subco to offer to amend the terms of the Combination Agreement.

The Combination Agreement may be terminated under certain circumstances, including by mutual agreement. If the Combination Agreement is terminated:

- by Bosch as a result of the Board having failed to recommend or having withdrawn its recommendation to the securityholders to approve the Arrangement or as a result of the board having approved or recommended an Acquisition Proposal (provided no Specified Bosch Event (as defined in the Combination Agreement) has occurred);
- by Extreme in order to enter into a definitive written agreement with respect to a Superior Proposal as permitted by the Combination Agreement (provided no Specified Bosch Event has occurred);
- by Extreme or Bosch if securityholder approval has not been obtained for the Arrangement and a bona fide Acquisition Proposal had been publicly announced and not withdrawn more than three business days prior to the securityholder meeting and Extreme enters into an agreement with respect to an Acquisition Proposal or an Acquisition Proposal is consummated after the date of the Combination Agreement and prior to the expiration of 12 months following termination of the Combination Agreement (provided no Specified Bosch Event has occurred);
- by Bosch if, except in certain circumstances, Extreme fails to hold its meeting of securityholders on or before February 15, 2008; or
- by Bosch if there is an intentional, willful or deliberate breach of certain covenants by the Company,

Extreme is obligated to pay a termination fee in the amount of \$3.6 million to Bosch.

Each of the parties is responsible for their own expenses.

The Mergers and Acquisition Committee of Extreme's Board has retained Morgan Keegan and Company ("MK") as its financial advisor. MK has delivered a fairness opinion to the Board of Directors. MK will be paid a fee for its services, a portion of which was paid upon rendering a fairness opinion and a significant portion of which is contingent on closing the Bosch Transaction. The Committee has recommended the approval of the Bosch Transaction to Extreme's Board and the Board has approved the Combination Agreement.

In connection with the Combination Agreement certain members of Extreme's senior management and certain of their affiliates, holding in the aggregate approximately 40% of the outstanding Common Shares of Extreme, have entered into a support agreement with Bosch and Bosch Subco under which they have agreed to vote all of their Common Shares in favour of the transaction.

There is no assurance that the Bosch Transaction will close.

A copy of the Combination Agreement is available on SEDAR, at www.sedar.com under our company name.

Forward Looking Statements

Certain statements in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities legislation, including the statements or information about the Bosch Transaction. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions of our ability to close the Bosch Transaction. Although our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such risks and uncertainties include risks and uncertainties involved in satisfying the conditions to close the Bosch Transaction.

There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or information. All forward-looking statements and information made herein, are qualified by this cautionary statement.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

7. Omitted Information

Not applicable

8. Executive Officer

The name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and the Report is:

Jonathan Jackson
Chief Financial Officer
Tel 604-420-7711
Fax 604-420-3300

9. Date of Report

DATED at Vancouver, B.C. this 21st day of December, 2007