

ENVIRONMENTAL COMPLIANCE APPROVAL

NUMBER 9500-ARBJYY

Issue Date: October 31, 2017

Royalthane Inc.
P.O Box 327 Stn Main Fergus
Centre Wellington, Ontario
N1M 3E2

Site Location: Royalthane Inc.

940 Gartshore St Fergus
Centre Wellington Township, County of Wellington
N1M 3E2

You have applied under section 20.2 of Part II.1 of the Environmental Protection Act, R.S.O. 1990, c. E. 19 (Environmental Protection Act) for approval of:

- one (1) natural gas fired curing oven (Source S-1), exhausting into the air at a volumetric flow rate of 0.06 cubic metre per second through a stack having an exit diameter of 0.30 metre, extending 1.7 metres above the roof and 9.20 metres above grade;
- one (1) natural gas fired curing oven (Source S-2), exhausting into the air at a volumetric flow rate of 0.09 cubic metre per second through a stack having an exit diameter of 0.30 metre, extending 1.7 metres above the roof and 9.20 metres above grade;
- one (1) electric curing oven (Source S-3), discharging within the building envelope;

all in accordance with the Application for Approval (Air & Noise) submitted by Royalthane Inc., Inc., dated November 17, 2016 and signed by Paul Kidnie, Owner; all supporting information, including the Emission Summary and Dispersion Modelling Report, submitted by GHD Limited dated November 17, 2016 and signed by Matthew Griffin and the memorandums dated September 7, 2017 and September 21, 2017 submitted by Matthew Griffin; and the Acoustic Assessment Report submitted by GHD Limited dated November 18, 2016 and signed by Matthew Griffin.

For the purpose of this environmental compliance approval, the following definitions apply:

1. "Approval" means this Environmental Compliance Approval, including the application and supporting documentation listed above;
2. "Company" means Royalthane Inc., that is responsible for the construction or operation of the Facility and includes any successors and assigns;
3. "District Manager" means the District Manager of the appropriate local district office of the Ministry, where the Facility is geographically located;
4. "EPA" means the Environmental Protection Act, R.S.O. 1990, c.E.19, as amended ;
5. "Equipment" means the equipment and processes described in the Company's application, this Approval and in the supporting documentation submitted with the application, to the extent approved by this Approval;
6. "Facility" means the entire operation located on the property where the Equipment is located;
7. "Manual" means a document or a set of documents that provide written instructions to staff of the Company;
8. "Ministry" means the ministry of the government of Ontario responsible for the EPA and includes all officials, employees or other persons acting on its behalf;
9. "Publication NPC-300" means the Ministry Publication NPC-300, "Environmental Noise Guideline, Stationary and Transportation Sources – Approval and Planning, Publication NPC-300", August 2013, as amended.

You are hereby notified that this environmental compliance approval is issued to you subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

1. OPERATION AND MAINTENANCE

1. The Company shall ensure that the Equipment is properly operated and maintained at all times. The Company shall:
 - a. prepare, not later than three (3) months after the date of this Approval, and update, as necessary, a Manual outlining the operating procedures and a maintenance program for the Equipment, including:
 - i. routine operating and maintenance procedures in accordance with good engineering practices and as recommended by the Equipment suppliers;
 - ii. emergency procedures, including spill clean-up procedures;

- iii. procedures for any record keeping activities relating to operation and maintenance of the Equipment;
 - iv. all appropriate measures to minimize noise and odorous emissions from all potential sources; and
 - v. the frequency of inspection and replacement of the filter material in the Equipment;
- b. implement the recommendations of the Manual.

2. RECORD RETENTION

1. The Company shall retain, for a minimum of two (2) years from the date of their creation, all records and information related to or resulting from the recording activities required by this Approval, and make these records available for review by staff of the Ministry upon request. The Company shall retain:
 - a. all records on the maintenance, repair and inspection of the Equipment; and
 - b. all records of any environmental complaints, including:
 - i. a description, time and date of each incident to which the complaint relates;
 - ii. wind direction at the time of the incident to which the complaint relates; and
 - iii. a description of the measures taken to address the cause of the incident to which the complaint relates and to prevent a similar occurrence in the future.

3. NOTIFICATION OF COMPLAINTS

1. The Company shall notify the District Manager, in writing, of each environmental complaint within two (2) business days of the complaint. The notification shall include:
 - a. a description of the nature of the complaint; and
 - b. the time and date of the incident to which the complaint relates.

4. NOISE

1. The Company shall, at all times, ensure that the noise emissions from the Facility comply with the limits set out in Ministry Publication NPC-300.
2. The Company shall restrict shipping/receiving trucks to a maximum of one (1) truck per sixty (60) minute period.

The reasons for the imposition of these terms and conditions are as follows:

1. Condition No. 1 is included to emphasize that the Equipment must be maintained and operated according to a procedure that will result in compliance with the EPA, the Regulations and this Approval.
2. Condition No. 2 is included to require the Company to keep records and to provide information to staff of the Ministry so that compliance with the EPA, the Regulations and this Approval can be verified.
3. Condition No. 3 is included to require the Company to notify staff of the Ministry so as to assist the Ministry with the review of the site's compliance.
4. Condition No. 4 is included to provide the minimum performance requirements considered necessary to prevent an adverse effect resulting from the operation of the Facility.

In accordance with Section 139 of the Environmental Protection Act, you may by written Notice served upon me and the Environmental Review Tribunal within 15 days after receipt of this Notice, require a hearing by the Tribunal. Section 142 of the Environmental Protection Act provides that the Notice requiring the hearing shall state:

- a. The portions of the environmental compliance approval or each term or condition in the environmental compliance approval in respect of which the hearing is required, and;
- b. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

The Notice should also include:

1. The name of the appellant;
2. The address of the appellant;
3. The environmental compliance approval number;
4. The date of the environmental compliance approval;
5. The name of the Director, and;
6. The municipality or municipalities within which the project is to be engaged in.

And the Notice should be signed and dated by the appellant.

This Notice must be served upon:

The Secretary*
Environmental Review Tribunal
655 Bay Street, Suite 1500
Toronto, Ontario
M5G 1E5

AND

The Director appointed for the purposes of
Part II.1 of the Environmental Protection
Act
Ministry of the Environment and Climate
Change
135 St. Clair Avenue West, 1st Floor
Toronto, Ontario

* Further information on the Environmental Review Tribunal's requirements for an appeal can be obtained directly from the Tribunal at: Tel: (416) 212-6349, Fax: (416) 326-5370 or www.ert.gov.on.ca

The above noted activity is approved under s.20.3 of Part II.1 of the Environmental Protection Act.

DATED AT TORONTO this 31st day of October,
2017

Ian Greason, P.Eng.
Director
appointed for the purposes of Part
II.1 of the *Environmental Protection
Act*

JM/
c: District Manager, MOECC Guelph
Matthew Griffin, GHD Limited