

ENVIRONMENTAL COMPLIANCE APPROVAL

NUMBER 3397-BTWH9M
Issue Date: October 2, 2020

Lacero Solutions Inc.
2351 Royal Windsor Dr
Mississauga, Ontario
L5J 4S7

Site Location: 4478 Chesswood Drive, Units 6 & 7
4478 Chesswood Dr
Toronto City,
M3J 2B9

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:

a waste disposal site

to be used for the transfer and processing of the following types of waste:

Air bag inflators from automobile manufacturers which contain Hazardous Wastes limited to the following Waste Classes:

148

Note: Use of the site for any other type of waste is not approved under this environmental compliance approval, and requires obtaining a separate approval amending this environmental compliance approval.

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

"Approval" means this Environmental Compliance Approval;

"Director" means the person(s) appointed for the purposes of Part II.1 of the Environmental Protection Act;

"District Manager" means the District Manager in the Ministry's Toronto District Office;

"EPA" means the Environmental Protection Act, R.S.O. 1990, C.E-19 as amended;

"Hazardous Waste" mean as defined in Regulation 347;

"Ministry" means the Ontario Ministry of the Environment, Conservation and Parks;

"Owner" or "Operator" means Lacero Solutions Inc.;

"OWRA" mean the Ontario Water Resource Act, R.S.O 1990, Chapter O.40, as amended;

"PA" means the Pesticides Act, R.S.O. 1990, c. P-11, as amended;

"Provincial Officer" means any person designated in writing by the Minister as a provincial officer pursuant to section 5 of the OWRA or section 5 of the EPA or section 17 of PA

"Regulation 347" means Regulation 347 R.R.O. 1990, as amended;

"Site" means the waste disposal site located at 4478 Chesswood Drive, Units 6 & 7;

"Trained Personnel" means knowledgeable in the following through instruction and/or practice:

- a. relevant waste management legislation, regulations and guidelines;
- b. major environmental concerns pertaining to the waste to be handled;
- c. occupational health and safety concerns pertaining to the processes and wastes to be handled;
- d. management procedures including the use and operation of equipment for the processes and wastes to be handled;
- e. emergency response procedures;
- f. specific written procedures for the control of nuisance conditions;
- g. specific written procedures for refusal of unacceptable waste loads; and
- h. the requirements of this Environmental Compliance Approval.

"Waste Classes" are as defined in Appendix C (Ontario Waste Classes) of the most recent Ministry publication entitled "Registration Guidance Manual for Generators of Liquid Industrial and Hazardous Waste".

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

TERMS AND CONDITIONS

GENERAL

Compliance

1. The Owner and Operator shall ensure compliance with all the Conditions of this Approval and shall ensure that any person authorized to carry out work on or operate any aspect of the Site is notified of this Approval and the Conditions herein and shall take all reasonable measures to ensure any such person complies with the same.
2. Any person authorized to carry out work on or operate any aspect of the Site shall comply with the

Conditions of this Approval.

In Accordance

3. (1) Except as otherwise provided for in this Approval, the Site shall be designed, developed, built, operated and maintained in accordance with the original application for this Approval, the Conditions herein this Approval and the supporting documentation listed in Schedule "A".
- (2) Construction and installation of the aspects of the described in Schedule "A" must be completed within 5 years of the later of:
 - a. the date this Approval is issued; or
 - b. if there is a hearing or other litigation in respect of the issuance of this Approval, the date that this hearing or litigation is disposed of, including all appeals.
4. This Approval ceases to apply in respect of the aspects of the Site noted above that have not been constructed or installed before the later of the dates identified in Condition 3(2) above.

Interpretation

5. Where there is a conflict between a provision of any document, including the application, referred to in this Approval, and the Conditions of this Approval, the Conditions in this Approval shall take precedence.
6. Where there is a conflict between the application and a provision in any documents listed in Schedule "A", the application shall take precedence, unless it is clear that the purpose of the document was to amend the application and that the Ministry approved the amendment.
7. Where there is a conflict between any two documents listed in Schedule "A", other than the application, the document bearing the most recent date shall take precedence.
8. The Conditions of this Approval are severable. If any condition of this Approval, or the application of any condition of this Approval to any circumstance, is held invalid or unenforceable, the application of such condition to other circumstances and the remainder of this Approval shall not be affected thereby.

Other Legal Obligations

9. The issuance of, and compliance with, this Approval does not:
 - a. relieve any person of any obligation to comply with any provision of any applicable statute, regulation or other legal requirement; or
 - b. limit in any way the authority of the Ministry to require certain steps be taken or to require the Owner and Operator to furnish any further information related to compliance with this Approval.

Adverse Effect

10. The Owner and Operator shall take steps to minimize and ameliorate any adverse effect on the natural environment or impairment of water quality resulting from the Site, including such accelerated or additional monitoring as may be necessary to determine the nature and extent of the effect or impairment.
11. Despite an Owner, Operator or any other person fulfilling any obligations imposed by this Approval the person remains responsible for any contravention of any other Condition of this Approval or any applicable statute, regulation, or other legal requirement resulting from any act or omission that caused the adverse effect to the natural environment or impairment of water quality.

Change of Owner

12. The Owner shall notify the Director, in writing, and forward a copy of the notification to the District Manager, within 30 days of the occurrence of any changes in the following information:
 - a. the Ownership of the Site;
 - b. the Operator of the Site;
 - c. the address of the Owner or Operator;
 - d. the partners, where the Owner or Operator is or at any time becomes a partnership and a copy of the most recent declaration filed under the Business Names Act, R. S. O. 1990, c. B.17, shall be included in the notification;
13. No portion of this Site shall be transferred or encumbered prior to or after closing of the Site unless the Director is notified in advance. In the event of any change in Ownership of the Site, other than change to a successor municipality, the Owner shall notify the successor of and provide the successor with a copy of this Approval, and the Owner shall provide a copy of the notification to the District Manager and the Director.

Inspections

14. No person shall hinder or obstruct a Provincial Officer from carrying out any and all inspections authorized by the OWRA, the EPA, or the PA, of any place to which this Approval relates, and without limiting the foregoing:
 - a. to enter upon the premises where the Site is located, or the location where the records required by the Conditions of this Approval are kept;
 - b. to have access to, inspect, and copy any records required to be kept by the Conditions of this Approval;
 - c. to inspect the Site, related equipment and appurtenances;
 - d. to inspect the practices, procedures, or operations required by the Conditions of this Approval; and
 - e. to sample and monitor for the purposes of assessing compliance with the terms and conditions of this Approval or the EPA, the OWRA or the PA.

Information and Record Retention

15. a. Any information requested, by the Ministry, concerning the Site and its operation under this Approval, including but not limited to any records required to be kept by this Approval shall be provided to the Ministry, upon request, in a timely manner.
- b. Records shall be retained for 5 years except for as otherwise authorized in writing by the Director.
16. The receipt of any information by the Ministry or the failure of the Ministry to prosecute any person or to require any person to take any action, under this Approval or under any statute, regulation or other legal requirement, in relation to the information, shall not be construed as:
 - a. an approval, waiver, or justification by the Ministry of any act or omission of any person that contravenes any term or condition of this Approval or any statute, regulation or other legal requirement; or
 - b. acceptance by the Ministry of the information's completeness or accuracy.

Site Operations

17. The Site may only receive Air bag inflators from automobile manufacturers which contain Hazardous Waste limited to Waste Class 148.
18. The Site may operate between 7:00 am and 7:00 pm, seven days per week. Shipments may be received outside these times due inclement weather or documented mechanical difficulties.
19. During operating hours, the Site shall be managed and operated by Trained Personnel.
20. The Site may store a maximum of:
 - a. 35 tonnes of Undeployed Air Bag Inflators;
 - b. 25 tonnes of Deployed Air Bag Inflators for Recycling; and
 - c. 5 tonnes of Cardboard for Recycling.
21. The Site may receive a maximum of 20 tonnes per day and 650 tonnes per year of Undeployed Air Bag Inflators.
22. The Owner shall ensure that all waste received and transferred from the Site is characterized and managed in accordance with Regulation 347.
23. A sign shall be posted in a prominent location at the Site entrance clearly stating the following:
 - i. Owner's name;
 - ii. Approval Number;

- iii. Operating days/hours
 - iv. Type of approved wastes;
 - v. Prohibition against unauthorized use; and
 - vi. Contact telephone number to call with complaints or in the event of an emergency and the telephone number for the Ministry's Spills Action Centre (1-800-268-6060).
24. During non-operating hours, the Owner shall ensure that the Site entrances are locked and the Site is secured against access by unauthorized persons.

Inspections and Record Keeping

25. The Owner shall establish and maintain a written record of operations at the Site. This record must be in a form of a log or a dedicated electronic file and it shall include as a minimum the following information:
- a. date of record;
 - b. hours of operation;
 - c. the type, amount and source of waste received and removed from the site;
 - d. details of the inspections and maintenance activities related to storage facilities;
 - e. type of the emergency situation and the resulting environmental impact;
 - f. actions taken to address the impact; and
 - g. actions taken to prevent the re-occurrence of a similar emergency situation in the future.
 - h. date and time of any complaints received at the Site and their nature;
 - i. name, address and telephone number of the complainant;
 - j. nature of the complaint;
 - k. date and description of any remedial actions taken to address the received complaints; and
 - l. actions taken to prevent the re-occurrence of a similar incident, in the future.

Financial Assurance

26. a. Within 60 days of issuance of this Approval, the Owner shall submit to the Director Financial Assurance, as defined in Section 131 of the EPA, for the amount of \$140,000.00. This Financial Assurance shall be in a form acceptable to the Director and shall provide sufficient funds for the analysis, transportation, Site clean-up, monitoring and disposal of all quantities of waste on the Site at any one time.
- b. Commencing on October 1, 2023, and at intervals of three (3) years thereafter, the Owner shall submit to the Director, a re-evaluation of the amount of Financial Assurance to implement the actions required under Condition 26 a. The re-evaluation shall include an assessment based on any new information relating to the environmental conditions of the Site and shall include the costs of additional monitoring and/or implementation of contingency plans required by the Director upon review of the closure plan and annual reports. The Financial Assurance must be submitted to the Director within ten (10) days of written acceptance of the re-evaluation by the Director.
- c. Commencing on October 1, 2021, the Owner shall prepare and maintain at the Site an updated

re-evaluation of the amount of Financial Assurance required to implement the actions required under Condition 26 a for each of the intervening years in which a re-evaluation is not required to be submitted to the Director under Condition 26 b. The re-evaluation shall be made available to the Ministry, upon request.

- d. The amount of Financial Assurance is subject to review at any time by the Director and may be amended at his/her discretion. If any Financial Assurance is scheduled to expire or notice is received, indicating Financial Assurance will not be renewed, and satisfactory methods have not been made to replace the Financial assurance at least sixty (60) days before the Financial Assurance terminates, the Financial Assurance shall forthwith be replaced by cash.

Annual Report

27. By October 1, 2021, and on an annual basis thereafter, the Owner shall prepare and submit to the District Manager an annual report, in electronic format, covering the previous calendar year. Each report shall include, as a minimum, the following information:
 - a. summary of operation of the Site over the year;
 - b. summary of volumes of wastes received and transferred from the Site;
 - c. report of any environmental or operational problems that could negatively impact the environment;
 - d. report any complaints from the public; and
 - e. a statement as to compliance with all Conditions of this Approval and with the inspection and reporting requirements of the Conditions herein.

Closure Plan

28.
 - a. The Company must submit, for approval by the Director, a written Closure Plan for the Site four (4) months prior to closure of the Site. This plan must include, as a minimum, a description of the work that will be done to facilitate closure of the Site and a schedule for completion of that work; and,
 - b. Within ten (10) days of closure of the Site, the Company shall notify the District Manager, in writing, that the Site is closed and that the Site Closure Plan has been implemented.

Schedule "A"

1. Application for an Environmental Compliance Approval dated February 17, 2020 and signed by Keshav Kochhar, CEO, Lacero Solutions Inc. including all attachments.
2. Operations Manual for an Air Bag Inflator Deactivation Facility. Cambium. February 19, 2020.
3. Financial Assurance Estimate - Air Bag Inflator Deactivation Facility. Cambium. January 28, 2020.
4. E-mail communication from Mark Szilard, Environmental Engineer, Cambium Inc. to Christopher Munro, MECP (9/21/2020 3:43 PM) entitled "RE: Lacero Solutions ECA update (9389-001)" regarding responses to Ministry review comments and including revised Financial Estimations. Three pdf attachments are attached to the email titled "Lacero Solutions Pricing Proposal"; "2020-09-18 CALC Financial Assurance_Lacero"; and "Lacero Quote".

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

1. *The reason for the definitions is to simplify the wording of the subsequent Conditions and define the specific meaning of terms as used in this Approval.*
2. *The reason for Conditions 1, 2, 3, 4, 5, 6, 8, 7, 9, 10, 11, 12, 13, 15 and 16 is to clarify the legal rights and responsibilities of the Company.*
3. *The reason for Condition 14 is to ensure that the appropriate Ministry staff have ready access to the operations of the Site which are approved under this Approval. The Condition is supplementary to the powers of entry afforded a Provincial Officer pursuant to the Environmental Protection Act, the Ontario Water Resources Act and the Pesticides Act, as amended.*
4. *The reason for Conditions 17, 20 and 21 is to ensure that the type and volume of waste received, stored and transferred at the Site is in accordance with that approved by this Approval.*
5. *The reason for Conditions 18 and 19 is to specify the hours of operation and ensure that all operators working at the Site have been trained so that the Site is operated in a safe and environmentally acceptable manner and does not pose a threat to the health and safety of people or the natural environment.*
6. *The reason for Conditions 22, 23, and 24 is to ensure that the Site is operated in a manner which does not result in a nuisance or a hazard to the health and safety of people or the environment.*
10. *The reason for Conditions 25 and 27 is to maintain records of the Site operation and a summary of the quantities and types of the waste handled at the Site.*
11. *The reason for Condition 26 is to ensure that if for any reason the Company should cease operations or abandon the Site sufficient funds will be available for the Site to be closed down and the Hauled Sewage disposed of in an acceptable manner.*

12. *The reason for Condition 28 is to ensure that the Site is closed in accordance with Ministry standards and to protect the health and safety of the public and the environment.*

In accordance with Section 139 of the Environmental Protection Act, you may by written Notice served upon me, the Environmental Review Tribunal and in accordance with Section 47 of the Environmental Bill of Rights, 1993, the Minister of the Environment, Conservation and Parks, within 15 days after receipt of this Notice, require a hearing by the Tribunal. The Minister of the Environment, Conservation and Parks will place notice of your appeal on the Environmental Registry. 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 Minister of the Environment,
Conservation and Parks
777 Bay Street, 5th Floor
Toronto, Ontario
M7A 2J3

AND

The Director appointed for the purposes of
Part II.1 of the Environmental Protection Act
Ministry of the Environment,
Conservation and Parks
135 St. Clair Avenue West, 1st Floor
Toronto, Ontario
M4V 1P5

*** 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**

This instrument is subject to Section 38 of the Environmental Bill of Rights, 1993, that allows residents of Ontario to seek leave to appeal the decision on this instrument. Residents of Ontario may seek leave to appeal within 15 days from the date this decision is placed on the Environmental Registry. By accessing the Environmental Registry at <https://ero.ontario.ca/>, you can determine when the leave to appeal period ends.

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

DATED AT TORONTO this 2nd day of October, 2020



Mohsen Keyvani, P.Eng.
Director

appointed for the purposes of Part II.1 of the
Environmental Protection Act

CM/

c: District Manager, MECP Toronto - District
Sadie Bachynski, Cambium Inc.