

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF QM GP INC. AND
HIGHPOINT ENVIRONMENTAL SERVICES INC.**

Applicants

AIDE MEMOIRE

BNS Loans and Security

1. BNS is the senior secured creditor of QM¹ pursuant to a Credit Agreement under which BNS made certain credit facilities (the “**Loans**”) available to QMLP. The Loans were guaranteed by QMF LP, TWT LP, Quantum Holdings LP, QM GP Inc. and Highpoint Environmental Services Inc., as full recourse guarantors, and 2539593 Ontario Inc. and Weshall Investments Inc., as limited recourse guarantors (collectively, the “**Guarantors**”).
2. QMLP’s indebtedness to BNS is secured by, *inter alia*, general security agreements from QMLP and the full-recourse Guarantors and pledges of equity interests from the other Guarantors (collectively, the “**Security**”).
3. As of July 17, 2025, QMLP was indebted to BNS under the Credit Agreement in the amount of \$34,508,497.85 for principal, interest, fees and costs (excluding legal costs).

¹ Capitalized terms not defined herein have the meaning defined in the Affidavit of Daniel Cameron sworn July 28, 2025 (the “**BNS Affidavit**”).

Misrepresentations by QM and WeShall

4. As described in the BNS Affidavit, by February 2025, QMLP was in default of various financial reporting obligations under the terms of the Credit Agreement.

5. In discussions that followed starting in April 2025 between representatives of BNS, QM and WeShall, BNS learned (among other things) that:

- (a) F2024 reporting was materially misstated and QMLP was likely in a borrowing base shortfall. More specifically, the trailing 12 month November EBITDA from QM was reported to be \$15.2 million, whereas the presentation provided by QM in May 2025 showed negative December 2024 EBITDA of \$2.7 million, i.e., a negative \$18 million swing in one month;
- (b) the business would require an injection of at least \$10-\$15 million in the near term; and
- (c) commencing on May 22, 2025 and as recently as July 2, 2025, WeShall committed to inject \$8.3 to \$8.7 million of equity into QM, which together with an injection of approximately \$6.7 million made in February 2025, would total the previously estimated \$15 million of required capital injections. This commitment was made by WeShall with full knowledge of QM's financial distress.

6. Notwithstanding the representations from WeShall regarding the \$8.3 to \$8.7 million equity injection, it failed to inject those funds into QM. Throughout its discussions with QM and WeShall as described above, BNS relied upon these representations in continuing to allow the facilities under the operating line of credit to revolve, and effectively continued advancing credit to QM, to the detriment of BNS.

7. On or about May 22, 2025, QM provided BNS with its April reporting package indicating that its borrowing base as of April 30 was \$11.4 million. As of May 22, 2025, the total outstanding amount under the revolving credit facility (including letters of credit) was approximately \$19.42 million, which was approximately \$8 million in excess of availability based on QM's borrowing base. Accordingly, BNS was in a position to apply all deposits against the aforesaid over-advance, and to refuse to honour cheques being issued by the company due to insufficient funds. BNS refrained from taking those steps based on the aforesaid representations from QM and WeShall regarding the \$8.3 to \$8.7 million equity injection.

8. BNS was only informed of QM's intention to file for CCAA protection and seek court approval of a super-priority interim financing facility from WeShall on or about July 7, 2025. It is the understanding of BNS that WeShall may submit an offer to buy QM's assets using the balance owed under that facility, if approved by the court, as a credit bid.

9. In its recent discussions with QM and WeShall, BNS was asked whether it was prepared to provide an interim financing facility to fund a proposed CCAA proceeding. To date, despite its ongoing requests for information as explained above, BNS has not been provided with adequate and/or sufficient reliable financial information in order to make an informed decision on its willingness to provide such financing, including information with respect to equipment values, accounts receivable and the cost to complete outstanding contracts.

Position of BNS

10. BNS is not opposing the CCAA filing by QM but vehemently opposes various overreaching and materially prejudicial aspects of the draft initial order proposed by QM, including the extent of the priming charge in favour of the proposed DIP Lender.

11. Under Section 11.2(4)(g) of the CCAA, in deciding whether to make an order that a charge in favour of DIP lender ranks in priority over claims of any secured creditor, the court is to consider, among other things, whether any creditor would be materially prejudiced as a result of the security or charge.

12. Attached as Schedule “A” is a revised version of QM’s proposed draft initial order with revisions requested by BNS dealing with the following main issues:

- (a) Priority of Charges – it is unreasonable and unnecessary for the DIP Lender’s Charge to be given full priority over BNS. According to QM, outstanding receivables total over \$41 million, and the charge will rank in priority to all other security interests, holdbacks, trusts (including deemed trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise. BNS respectfully submits that the Property secured by the DIP Lender’s Charge should not prime BNS to the extent of:
 - i. accounts receivable on contracts that have been completed as of the date of the order;
 - ii. equipment owned or leased by the Company;
 - iii. cash collateral pledged as security in favour of BNS for credit card liabilities arising from and after the date hereof; and
 - iv. assets of the emergency management and response business and proceeds thereof.

Furthermore, notwithstanding anything contained in the order, none of the Charges should rank in priority to BNS in respect of cash collateral pledged as security in favour of BNS for credit card liabilities arising from and after the date hereof.

- (b) Third-Party Indemnity Obligations – On July 28, 2025, Intact made a draw request to BNS on a \$5 million letter of credit issued for the benefit of QM. Unless there is a stay of that draw request and any others, BNS would be materially prejudiced if required to honour the draw request and stayed from exercising its indemnification rights against a third party (Kingsdale).
- (c) Non-Applicant Stay Parties – BNS does not oppose the extension of the stay of proceedings to these parties, but there is no basis for extending all other benefits afforded to the Applicants under the initial order to these parties at this time. This relief should be sought at the comeback hearing on proper notice.
- (d) Amounts owing for materials, goods or services actually supplied to the Company prior to the date of the order – BNS seeks a cap on any such amounts payable.
- (e) Sales Taxes not required to be remitted until on or after the date of the order - BNS disagrees that such amounts, which are unsecured in a CCAA proceeding, should be paid at this time.

13. BNS also takes issue with various aspects of the DIP Term Sheet, including but not limited to the proposed fees and interest rate. In addition, as the senior secured creditor of QM, BNS should have consultation rights with respect to the development of any sale and investment solicitation process, including timelines.

14. Given the short notice of this application, BNS reserves the right to raise additional issues at the hearing on July 29, 2025.

ALL OF WHICH IS RESPECTFULLY SUBMITTED, this 29th day of July, 2025.

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Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

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TUESDAY, THE 29TH

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JUSTICE STEELE

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DAY OF JULY, 2025

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF QM GP INC. AND HIGHPOINT
ENVIRONMENTAL SERVICES INC.**

Applicants

INITIAL ORDER

THIS APPLICATION, made by QM GP Inc. and Highpoint Environmental Services Inc. (the "**Applicants**" together with the Non-Applicant Related Parties (as defined below), the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCA**") was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Application, Affidavit of Agnieszka Barrett sworn July 28, 2025 and the Exhibits thereto (the "**Barrett Affidavit**"), the Affidavit of Daniel Cameron sworn July 28, 2025 and the Exhibits thereto, the consent of Alvarez & Marsal Canada Inc. ("**A&M**") to act as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), the pre-filing report of A&M dated July 28, 2025 (the "**Pre-Filing Report**"), as the proposed monitor, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for WeShall Investments Inc. ("**WeShall**" or the "**DIP Lender**"), counsel for The Bank of Nova Scotia ("**BNS**"), and such other parties as listed on the Participant Information Form, with no one appearing for any other person although duly served as appears from the affidavit of service of Natasha Rambaran, sworn July 28, 2025, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS** that each Applicant is a company to which the CCAA applies. Although not Applicants, QM LP, QMF LP, TWT LP and Quantum Holdings LP (collectively, the “**Non-Applicant Related Parties**”), together with the Applicants, shall enjoy all the benefits of the protections and authorizations provided in this Order and be subject to its terms.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Company shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Company shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Company is authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Company shall be entitled to continue to utilize the central cash management system currently in place as described in the Barrett Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Company of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the Company, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in

its capacity as provider of the Cash Management System, an unaffected creditor under any plan of arrangement or compromise under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that, subject to the Initial DIP Budget and the DIP Budget (as defined in the DIP Term Sheet), the Company shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Company in respect of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor, amounts owing for materials, goods or services actually supplied to the Company prior to the date of this Order to a maximum aggregate amount of \$● if, in the opinion of the Company and with the consent of the Monitor, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Property of the Company during the CCAA proceedings.

6. **THIS COURT ORDERS** that, subject to the Initial DIP Budget and the DIP Budget, except as otherwise provided to the contrary herein, the Company shall be entitled but not required to pay all reasonable expenses incurred by the Company in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for materials, goods or services actually supplied to the Company following the date of this Order.

7. **THIS COURT ORDERS** that the Company shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the date of this Order, and that are of a kind that could be subject to a demand under the statutory provisions specified in subsections 6(3)(a) through (c) of the CCAA.
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Company in connection with the sale of goods and services by the Company, but only where such Sales Taxes are accrued or collected after the date of this Order, ~~or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order~~; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Company.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Company shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Company and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Company is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Company to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Company with the consent of the Monitor and in consultation with the DIP Lender and BNS shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined below), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$500,000 in the aggregate;
- (b) disclaim such of its arrangements or agreements of any nature whatsoever with whomever, whether oral or written, as such Company deems appropriate, in accordance with Section 32 of the CCAA; and
- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;

all of the foregoing to permit the Company to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

11. **THIS COURT ORDERS** that the Company shall provide each of the relevant landlords with notice of the relevant Company’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes such Company’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Company, or by further Order of this Court upon application by the Company on at least two (2) days’ notice to such landlord and any such secured creditors. If the Company disclaims the lease governing such leased premises

in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Company's claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Company and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including August 8, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), including without limiting the generality of the foregoing, any adjudication process pursuant to Part II.1 of the *Construction Act* (Ontario) or similar provisions in the other Provincial Lien Legislation (as defined in the Lien Regularization Order dated as of the date of this Order, the "**Lien Regularization Order**"), shall be commenced or continued against or in respect of the Company, the Monitor or any of their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Company and the Monitor, or with leave of this Court, and any and all Proceedings currently underway against or in respect of the Company or its employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

~~NO PROCEEDINGS RELATED TO THIRD-PARTY INDEMNITY OBLIGATIONS~~

14. ~~**THIS COURT ORDERS** that, during the Initial Stay Period, no Proceeding shall be commenced or continued, or enforcement step taken, or demand, call or request for payment made, against third parties that have provided an indemnity, guarantee, letter of credit, or similar~~

~~obligation (collectively, the “Third-Party Indemnity Obligations”), on behalf of the Company in respect to the Company’s obligations under any construction project contract, in favour of Intact Insurance Company and Aviva Insurance Company of Canada. For greater certainty, and without limiting the generality of the foregoing, no Proceeding or enforcement step shall be taken against WeShall, 2539593 Ontario Inc., Kingsdale Partners Limited, KSS Holdco Inc., Alberta Chain & Rigging Inc., QM Points Contracting LP, TS LP, CIPS/QM Inc. or Cambium Indigenous Professional Services (CIPS) Inc., with respect to the Third-Party Indemnity Obligations during the Stay Period.~~

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Company, the Monitor, or their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property, including without limiting the generality of the foregoing: (a) any rights arising out of or in connection with the prompt payment deadlines or a notice of non-payment under the Provincial Lien Legislation; and (b) any rights in connection with a determination under the Provincial Lien Legislation, are hereby stayed and suspended except with the written consent of the Company and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Company to carry on any business which it is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, and (iii) subject to the terms of the Lien Regularization Order, prevent the filing of any registration to preserve or perfect a security interest.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Company, except with the written consent of the Company and the Monitor, or leave of this Court.

PRE-FILING VS POST-FILING SET-OFF

17. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that (a) are or may become due to the Company in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Company in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Company in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Company in respect of obligations arising on or after the date of this Order, in each case without the consent of the Company and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of materials, goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, benefit services, insurance, transportation services, utility, or other services to the Business or the Company or exercising any other remedy provided under the agreements or arrangements, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Company, and that the Company shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Company entity in accordance with normal payment practices of the applicable Company entity or such other practices as may be agreed upon by the supplier or service provider and the applicable Company entity and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any

monies or otherwise extend any credit to the Company. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Company with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Company whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Company, if one is filed, is sanctioned by this Court or is refused by the creditors of the Company or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. **THIS COURT ORDERS** that the Company shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Company after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Company shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$3,600,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.

23. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Company's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

STAY OF PERFORMANCE BONDS

24. **THIS COURT ORDERS** that during the Stay Period, no Person, holding a Performance Bond (as defined in the Barrett Affidavit), including any Person named as an owner or obligee under such bond, shall be permitted to enforce and/or call on the Performance Bond ("**Performance Bond Claim**"), except with the written consent of the Company and the Monitor, or with leave of this Court, and any and all Performance Bond Claims currently under way against or in respect of the Company or affecting the Business or Property are hereby stayed and suspended pending further Order of this Court.

APPOINTMENT OF MONITOR

25. **THIS COURT ORDERS** that A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Company with the powers and obligations set out in the CCAA or set forth herein and that the Company and its shareholders, officers, directors and Assistants shall advise the Monitor of all material steps taken by the Company pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Company's receipts and disbursements, Business and dealings with the Property and, among other things, review all disbursements for consistency with the Cash Flow Statements (as defined in Pre-Filing Report), as amended from time to time, and subject to the variances permitted in the DIP Term Sheet (as defined below);
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Company to the extent required, in its dissemination, to the DIP Lender and its counsel, on a timely basis of financial and other information as agreed to between the Company and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender, and

any such financial and other information provided to the DIP Lender shall also be provided concurrently to ~~the Bank of Nova Scotia~~ BNS;

- (d) advise the Company in its preparation of the Company's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and BNS and ~~its~~ their respective counsel on a periodic basis;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company's Business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Environmental Protection Act* (Ontario), the *Ontario Water Resources Act*, or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder or any similar legislation or regulation of Canada or a Province or Territory thereof (collectively, the "**Environmental Legislation**"); provided, however, that nothing herein shall exempt the Monitor

from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company and the DIP Lender with information provided by the Company in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Company is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Company may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor, its directors, officers, employees, counsel and other representatives acting in such capacities shall incur no liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Company on a weekly basis or as otherwise agreed among the parties.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice (Commercial List).

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000,

unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

DIP FINANCING

34. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to obtain and borrow a super-priority, debtor-in-possession credit facility (the “**DIP Facility**”) from the DIP Lender in order to finance the Company’s working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed an initial advance in a principal amount up to \$3,300,000, unless permitted by further Order of this Court.

35. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in DIP Term Sheet between the Company and the DIP Lender dated as of July 28, 2025 (the “**DIP Term Sheet**”), which is attached as Appendix “B” to the Pre-Filing Report.

36. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 40 and 42 hereof.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, may cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge and, upon seven (7) days' notice to the Company and the Monitor, may, with leave of the Court to be sought on notice to the service list, exercise any and all of its other rights and remedies against the Company or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property.

39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

40. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge, the Lien Charge (as defined in the Lien Regularization Order) and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

- (a) **First** – Administration Charge (to the maximum amount of \$400,000);
- (b) **Second** – DIP Lender's Charge (to the maximum principal amount of \$3,300,000 million plus interest, fees, and costs) on all Property other than:
 - (i) accounts receivable on contracts that have been completed as of the date hereof;
 - (ii) equipment owned or leased by the Company;

(iii) cash collateral pledged as security in favour of BNS for credit card liabilities arising from and after the date hereof; and

~~(b)~~(iv) -assets of the emergency management and response business and proceeds thereof (items (i) through (iv) are hereinafter referred to as the “BNS Priority Collateral”);

(c) **Third** – Directors’ Charge (to the maximum amount of \$3,600,000); and

(d) **Fourth** – the BNS Priority Collateral to the extent of the full amount owing to BNS;

(e) **Fifth** - Lien Charge; and

~~(d)~~(f) **Sixth** - DIP Lender’s Charge (to the extent of the balance owed on the DIP Facility).

41. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

42. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, holdbacks, trusts (including deemed trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person except for a Person with a properly perfected Encumbrance on the Property who did not receive notice of the Application. The Company shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances of which the Charges have not obtained priority pursuant to this Order. For greater certainty, (a) the Charges shall rank in priority to any Person’s interest over the Property pursuant to the Provincial Lien Legislation, provided that the Company’s Property shall not include any accounts receivable under disclaimed project contracts that are subject to a trust under the Provincial Lien Legislation; and (b) the Property charged by the Lien Charge is as described in the LRO.

43. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Company also obtains

the prior written consent of the Monitor and the beneficiaries of the applicable Charges (collectively, the “**Chargees**”), or further Order of this Court.

44. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes, other than as set out in paragraph 42 above; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Company pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

45. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant or Non-Applicant Related Party’s interest in such real property leases.

SERVICE AND NOTICE

46. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in *The National Post* a notice containing the information prescribed under the CCAA; (b) within five (5) days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner or by electronic message to the e-mail addresses as last shown in the Company's records, a notice to every known creditor who has a claim against the Company of more than \$1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. **THIS COURT ORDERS** that the service and electronic service of documents in this proceeding made in accordance with the Consolidated Civil Provincial Practice Direction and the Consolidated Practice Direction for the Toronto Region (collectively, the "**Practice Directions**") (each which can be found on the Ontario Superior Court of Justice website at <https://www.ontariocourts.ca/scj/filing-procedures/provincial/> and https://www.ontariocourts.ca/scj/practice_directions/consolidated-practice-direction-toronto-region/) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure*, RRO 1990, Reg 194 (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and the applicable Practice Directions, service of documents in accordance with the Practice Directions will be effective on transmission. This Court further orders that a case website for this proceeding shall be established with the following URL: www.alvarezandmarsal.com/QME (the "**Monitor's Website**").

48. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Practice Directions or the CCAA and the regulations thereunder is not practicable, the Company, the Monitor and their respective counsel and agents are at liberty to serve or distribute

this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission or electronic message to the Company's creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Company and that any such service or distribution shall be deemed to be received on the earlier of: (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Time (Toronto) (or the next business day following the date of forwarding thereof if sent on a non-business day); (b) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern Time (Toronto); or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

50. **THIS COURT ORDERS** that the Company, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Company's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

51. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Company or the Monitor in these CCAA proceedings shall, subject to further order of this Court, provide the service list in these proceedings with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Time (Toronto) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consultation with the Applicants.

COMEBACK DATE

52. **THIS COURT ORDERS** that the comeback motion shall be heard by a judge of the Ontario Superior Court of Justice (Commercial List) on August 7, 2025 at ~~11:00 a.m.~~ Eastern Time (Toronto).

GENERAL

53. **THIS COURT ORDERS** that the Company or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

54. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business, or the Property.

55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Company and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

57. **THIS COURT ORDERS** that any interested party (including the Company and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 40 and 42 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time (Toronto) on the date of this Order without any need for entry and filing.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c.C-36 AS AMENDED

Court File No.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF QM GP INC.
AND HIGHPOINT ENVIRONMENTAL SERVICES INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at *Toronto*

INITIAL ORDER

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF QM GP INC. AND HIGHPOINT ENVIRONMENTAL SERVICES INC.

Applicants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Application commenced at TORONTO

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