NOTE: Confirmation of Receipt of this Licence No. 3177 (by the Licencee only) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space below and provide a copy (letter only) to the Department by April 29, 2016.

\[\text{On behalf of Federated Co-operatives Limited} \quad \text{Date}\]

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
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License No. / Licence n° 3177

Issue Date / Date de délivrance April 18, 2016

In accordance with The Environment Act (C.C.S.M. c. E125) / Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 10(1) and 14(2) / Conformément au Paragraphe 10(1) et 14(2)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

FEDERATED COOPERATIVE LIMITED: "the Licencee"

for the construction, operation and maintenance of a bulk granular fertilizer storage and distribution facility including all related activities, to be located at SE and SW ¼’s 15-10-18 in the City of Brandon in accordance with the Proposal filed under The Environment Act on November 4, 2015, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this licence,

"accredited laboratory" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation and Water Stewardship to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

"affected area" means a geographical area, excluding the property of the Development;

"chemical" includes, but is not limited to petroleum products, fertilizers and pest control products;

"dangerous goods" means any product, substance or organism designated in the regulations, or conforming with the criteria set out in the regulations, or in any regulation adopted in accordance with The Dangerous Goods Handling and Transportation Act, and includes hazardous wastes;

"Director" means an employee so designated pursuant to The Environment Act;

"Environment Officer" means an employee so designated pursuant to The Environment Act;
"noise nuisance" means an unwanted sound, in an affected area, which is annoying, troublesome, or disagreeable to a person:
   a) residing in an affected area;
   b) working in an affected area; or
   c) present at a location in an affected area which is normally open to members of the public;
if the unwanted sound
   d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director and within a 90-day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
   e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b) or c) and the Director is of the opinion that if the noise had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90-day period, from 5 different persons who do not live in the same household;

"odour nuisance" means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:
   a) residing in an affected area;
   b) working in an affected area; or
   c) present at a location in an affected area which is normally open to members of the public;
if the odour, smell or aroma
   d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director and within a 90-day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
   e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c) and the Director is of the opinion that if the unwanted odour, smell of aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90-day period from 5 different persons who do not live in the same household;

"post-closure plan" means a plan indicating the actions to be taken for the care, maintenance, and monitoring of the Development after closure, that will prevent, mitigate, or minimize the threat to public health and the environment;

"secondary containment area" means, for an Agrichemical Warehouse (or crop protection products warehouse), an area designed and constructed to contain any liquids, including chemicals and fire water, resulting from a significant event such as a fire, and prevents the release of pollutants beyond the containment area; and

"sewage" means household and commercial wastewater that contains human waste.
TERMS AND CONDITIONS

Compliance

1. The Licencee shall adhere to the commitments made in the Proposal filed on November 4, 2015 and any additional supporting information filed in association with the Proposals during construction, operation and reclamation of the Development.

Sampling and Analysis

2. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of Standard Methods for the Examination of Water and Wastewater or in accordance with equivalent preservation and analytical methodologies approved by the Director;
   b) carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
   c) have all analytical determinations undertaken by an accredited laboratory; and
   d) report the results to the Director, in writing and in an electronic format acceptable to the Director, within 60 days of the samples being taken.

Additional Reporting

3. The Licencee shall, in addition to any of the following specifications, limits, terms and conditions specified in this Licence, upon the request of the Director:
   a) sample, monitor, analyze or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge emission rates, for such duration and at such frequencies as may be specified;
   b) determine the environmental impact associated with the release of any pollutants from the Development;
   c) conduct specific investigations in response to the data gathered during environmental monitoring programs; or
   d) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, flow rate measurements and such other information as may from time to time be requested.

Reporting Format

4. The Licencee shall submit all information required to be provided to the Director or Environment Officer under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director or Environment Officer, and each submission shall be clearly labelled with the Licence Number and Client File Number associated with this Licence.


**Odour**

5. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

**Noise**

6. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

**SPECIFICATIONS, LIMITS AND CONDITIONS**

**Additional Permits**

7. The Licencee shall obtain all necessary municipal, provincial and federal permits and approvals for construction of relevant components of the Development prior to commencement of construction.

**Maintenance**

8. The Licencee shall, at all times during the operation of the Development, implement a high standard of equipment maintenance and operational practices.

**Recycling**

9. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.

**Environmental Accident Reporting**

10. The Licencee shall, in the case of physical or mechanical equipment breakdown or process upset where such breakdown or process upset results or may result in the release of a pollutant in an amount or concentration, or at a level or rate of release, that causes or may cause a significant adverse effect, immediately report the event by calling the 24-hour environmental accident reporting line at (204) 944-4888 (toll-free 1-855-944-4888). The report shall indicate the nature of the event, the time and estimated duration of the event and the reason for the event.

11. The Licencee shall, following the reporting of an event pursuant to Clause 10,
   a) identify the repairs required to the mechanical equipment;
   b) undertake all repairs to minimize unauthorized discharges of a pollutant;
   c) complete the repairs in accordance with any written instructions of the Director; and
   d) submit a report to the Director about the causes of breakdown and measures taken, within one week of the repairs being done.
Granular Fertilizer

12. The Licencee shall surface, grade, dyke and/or curb all areas where granular fertilizer is stored, loaded, blended, transferred or otherwise handled with concrete or in a manner and using materials approved by the Director, such that all product spillage and contaminated run-off water from these areas is contained.

Chemical Storage and Spill Containment

13. The Licencee shall ensure fuel storage containers incorporate secondary containment satisfactory to an Environment Officer.

14. The Licencee shall comply with all the applicable requirements of:
   a) Manitoba Regulation 188/2001, or any future amendment thereof, respecting the Storage and Handling of Petroleum Products and Allied Products;
   b) The Dangerous Goods Handling and Transportation Act, and regulations issued thereunder, respecting the handling, transport, storage and disposal of any dangerous goods brought onto or generated at the Development; and
   c) the Office of the Fire Commissioner – Province of Manitoba.

15. The Licencee shall provide containment for all vessels containing chemicals in each area of the Development where the chemicals are stored, loaded, transferred, used or otherwise handled, in compliance with the National Fire Code of Canada (2010), or any future amendment thereof, such that any product leakage or spillage and any contaminated liquid generated is contained within the Development and contamination of groundwater is prevented.

16. The Licencee shall, in a manner approved by the Director, remove and dispose of all spilled dangerous goods.

Emergency Response Planning

17. The Licencee shall prepare and maintain an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety “Emergency Response Planning Guide” or other emergency planning document acceptable to the Director.

18. The Licencee shall ensure the emergency response contingency plan includes a notification process to address potential risks to drinking water systems. This will include, but is not limited to, contact information of Portage la Prairie water treatment plant operator(s) and instructions to notify the operators in the event of a major spill or release of product into the Assiniboine River.

Closure and Post Closure

19. Within one year prior to imminent closure of the Development, the Licencee shall submit, for the approval of the Director, a formal detailed closure and post closure plan for the Development.

20. The Licencee shall implement and maintain the approved closure and post closure plan.
REVIEW AND REVOCATION

A. If construction of the Development is not commenced within three years of the date of this Licence, the Licence is revoked.

B. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms, or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 10 of The Environment Act.

“original signed by”

Tracey Braun, M.Sc.
Director
Environment Act

Client File No.: 5805.00