



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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IN THE MATTER OF
THE *SECURITIES ACT*, R.S.O. 1990, c.S.5, AS AMENDED
AND
IN THE MATTER OF
GFL ENVIRONMENTAL INC.
ORDER

(Section 6.1 of National Instrument 62-104)

UPON the application (the “**Application**”) of GFL Environmental Inc. (“**GFL**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) exempting GFL from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the “**Issuer Bid Requirements**”) in connection with certain acquisitions by GFL of its multiple voting shares (“**MVS**”) pursuant to a proposed reorganization (the “**Reorganization**”) described below;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON GFL having represented to the Commission as follows:

1. GFL is a corporation existing and in good standing under the *Business Corporations Act* (Ontario) (the “**OBCA**”). GFL’s registered and head office is located at Suite 500, 100 New Park Place, Vaughan, Ontario, L4K 0H9.
2. GFL is a reporting issuer in all of the provinces and territories of Canada and is not in default of any requirements of securities legislation in the jurisdictions in which it is a reporting issuer. GFL is also a “foreign private issuer” (as such term is defined in Rule 3b-4 of the *Securities Exchange Act of 1934*, as amended) in the United States.
3. The authorized capital of GFL consists of:
 - (a) an unlimited number of subordinate voting shares (“**SVS**”), of which 381,570,096 SVS were issued and outstanding as of September 30, 2024;

- (b) an unlimited number of MVS, of which 11,812,964 MVS were issued and outstanding as of September 30, 2024;
 - (c) an unlimited number of preferred shares, issuable in series;
 - (d) 28,571,428 Series A perpetual convertible preferred shares (the “**Series A Convertible Preferred Shares**”), of which 10,401,871 Series A Convertible Preferred Shares were issued and outstanding as of September 30, 2024; and
 - (e) 8,196,721 Series B perpetual convertible preferred shares (the “**Series B Convertible Preferred Shares**” and, together with the Series A Preferred Shares, the “**Convertible Preferred Shares**”), of which 8,196,721 Series B Convertible Preferred Shares were issued and outstanding as of September 30, 2024.
4. Holders of SVS are entitled to one vote per SVS and holders of MVS are entitled to 10 votes per MVS on all matters upon which holders of SVS and MVS are entitled to vote. Each holder of the Convertible Preferred Shares is entitled to vote, to the greatest extent possible, with holders of SVS and MVS as a single class. Each Convertible Preferred Share is entitled to one vote per share and, for the purpose of voting at any meeting at which such holder is entitled to vote, each holder of Convertible Preferred Shares will be deemed to hold such number of Convertible Preferred Shares that is equal to the number of SVS into which the holder’s Convertible Preferred Shares are convertible pursuant to the terms of the Convertible Preferred Shares as of the applicable record date.
 5. Each outstanding MVS may at any time, at the option of the holder, be converted into one SVS. Additionally, in certain circumstances each MVS will convert automatically into one SVS.
 6. The SVS are listed on the Toronto Stock Exchange (the “**TSX**”) and the New York Stock Exchange. Neither the MVS nor the Convertible Preferred Shares are listed on any stock exchange.
 7. Each of Sejosa Holdings Inc. (“**Sejosa**”) and Sejosa II Holdings Inc. (“**Sejosa II**”) is a corporation existing under the laws of the Province of Ontario. Neither Sejosa nor Sejosa II is a reporting issuer in any province or territory of Canada. Each of Sejosa and Sejosa II is an investment holding company and does not carry on any active business.
 8. Patrick Dovigi, the President, Chief Executive Officer and Chairman of the board of directors of GFL, his family members, and discretionary trusts settled by family members (collectively, the “**Dovigi Group**”) directly and indirectly hold all of the issued and outstanding shares of Sejosa, which in turn holds all of the issued and outstanding shares of Sejosa II.
 9. As of September 30, 2024, Sejosa directly owned 11,785,722 MVS and Sejosa II directly owned 27,242 MVS (collectively, the “**Sejosa GFL Shares**”), representing all of the issued and outstanding MVS and 3.0% of the issued and outstanding SVS assuming the conversion of all of the MVS into SVS. In addition, as of September 30, 2024, the Dovigi Group owns 78,860 SVS and 17,262,262 options to purchase SVS.

10. In 2023, GFL requested that Mr. Dovigi relocate to the United States given GFL's significant U.S. footprint, strategic focus on U.S. market expansion, and the continued build out of GFL's U.S. management team. The Reorganization is being carried out to mitigate certain potential adverse financial consequences that may result from the relocation of Mr. Dovigi at the request of GFL. The effect of the Reorganization will be that, upon completion, the Dovigi Group will hold 11,812,964 MVS directly, rather than indirectly through Sejosa and Sejosa II.
11. The Reorganization entails a series of consecutive transactions which, for the purposes of the Application, may be summarized as follows:
 - (a) prior to the Reorganization, Sejosa and Sejosa II will complete an internal reorganization whereby:
 - (i) Sejosa, Sejosa II, and three investment holding companies with no active business that are wholly-owned by the Dovigi Group will amalgamate to form a new corporation ("**Sejosa Amalco**") by way of an amalgamation under the OBCA (the "**Sejosa Amalgamation**");
 - (ii) immediately following the Sejosa Amalgamation, Sejosa Amalco will transfer all of its assets, other than the Sejosa GFL Shares, to the Dovigi Group and its affiliates; and
 - (iii) the Dovigi Group or an affiliate thereof will assume all of Sejosa Amalco's liabilities, including the liability for any taxes resulting from the transfer of its assets to them;
 - (b) GFL will incorporate a wholly-owned subsidiary under the OBCA ("**Subco**"). Subco will have no material assets and no liabilities. The authorized capital of Subco will consist of an unlimited number of common shares;
 - (c) Sejosa Amalco and Subco will amalgamate to form a new corporation ("**Amalco**") by way of an amalgamation under the OBCA (the "**Amalgamation**");
 - (d) on the Amalgamation:
 - (i) GFL will issue that number of MVS to the Dovigi Group which will equal, in the aggregate, the number of MVS owned by Sejosa Amalco immediately prior to the Amalgamation; and
 - (ii) Amalco will be wholly-owned by GFL and will own the Sejosa GFL Shares; and
 - (e) immediately following the Amalgamation, Amalco will distribute the Sejosa GFL Shares, its only remaining assets, to GFL in connection with a voluntary winding up of Amalco pursuant to the provisions of the OBCA (the "**Voluntary Wind-Up**") and immediately thereafter GFL will cancel the Sejosa GFL Shares.

12. The Reorganization is subject to:
 - (i) approval by GFL's Nomination, Governance and Compensation Committee (the "**Governance Committee**"), which is comprised entirely of directors that are independent in connection with the Reorganization;
 - (ii) approval by the board of directors of GFL (with Patrick Dovigi declaring his interest and abstaining from voting); and
 - (iii) acceptance of notice of the Reorganization by the TSX.
13. The Reorganization does not and will not have any adverse economic effect on, or adverse tax consequences to, and will not in any way prejudice, GFL, Subco, Amalco, or the public shareholders of GFL (the "**Public Shareholders**"), and GFL will not incur material costs or expenses in connection with the Reorganization.
14. No material actual or contingent liability of Sejosa Amalco will be assumed by GFL, Subco, or Amalco in connection with the Reorganization.
15. Pursuant to an indemnity agreement (the "**Indemnity**") to be entered into between the Dovigi Group and GFL, the Dovigi Group will agree to indemnify GFL and its subsidiaries, including Subco and Amalco, against any liabilities which have been or may be incurred by any of them as a result of the Reorganization. The terms of the Indemnity, which will be consistent with terms of indemnities for arm's length third party transactions, will be approved by GFL's Governance Committee.
16. The Reorganization will not change the number of MVS or SVS issued and outstanding, as GFL will have the same aggregate number of MVS and SVS outstanding following the Reorganization as it did immediately prior to the Reorganization.
17. Following the Reorganization, each of the Dovigi Group and the Public Shareholders will beneficially own the same aggregate number and same relative percentages of MVS and SVS that they owned immediately prior to the Reorganization and will have the same rights and benefits in respect of such shares that they currently have.
18. The Reorganization constitutes a related party transaction under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, GFL will be exempt from the formal valuation and minority approval requirements of MI 61-101 by virtue of the Reorganization satisfying the conditions set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively.
19. The acquisition of the Sejosa GFL Shares by Amalco in connection with the Amalgamation will constitute an indirect "issuer bid" (as such term is defined in section 1.1 of NI 62-104) by GFL pursuant to section 1.10 of NI 62-104. Further, the subsequent acquisition of the Sejosa GFL Shares by GFL in connection with the Voluntary Wind-Up will also constitute an "issuer bid" (as such term is defined in section 1.1 of NI 62-104) by GFL. Neither will be exempt issuer bids under Part 4 of NI 62-104.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that GFL be exempt from the Issuer Bid Requirements in connection with acquisitions by GFL of the Sejosa GFL Shares pursuant to the Reorganization.

DATED at Toronto, Ontario this 17th day of October, 2024.

“David Mendicino”

David Mendicino
Manager, Corporate Finance Division
Ontario Securities Commission