

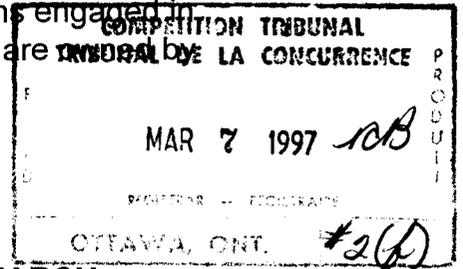
SCHEDULE "A"

CT-97/

THE COMPETITION TRIBUNAL

IN THE MATTER OF an Application by the Director of Investigation and Research under sections 104 and 105 of the *Competition Act*, R.S.C. 1985 c. C-34 as amended.

AND IN THE MATTER OF a proposed acquisition by Canadian Waste Services Inc. of the totality of shares of certain corporations engaged in the solid waste management and related businesses that are Allied Waste Holdings (Canada) Ltd.



BETWEEN:

THE DIRECTOR OF INVESTIGATION AND RESEARCH

Applicant

- and -

CANADIAN WASTE SERVICES INC.

Respondent

DRAFT CONSENT INTERIM ORDER

UPON THE Application of the Director of Investigation and Research ("the Director"), pursuant to sections 104 and 105 of the *Competition Act*, R.S.C. 1985, c. C-34 as amended (the "Act"), for a Consent Interim Order directing that certain assets encompassed by the proposed acquisition be held separate and apart and independently managed pending the hearing and determination of an Application brought by the Director under sections 92 and 105 of the Act and certain other

remedies;

AND UPON READING the Notice of Application for a Consent Interim Order dated the 5th day of March, 1997, the Affidavit of Lourdes DaCosta, filed and the consent of the parties filed herein;

AND CONSIDERING THAT the Director and the Respondents have reached an agreement which is reflected in this Draft Consent Interim Order;

AND CONSIDERING THAT the within Order is necessary to preserve the status quo and the ability of the Tribunal to render effective remedies should it see fit to make further orders regarding the acquisition referred to in the said affidavit of Lourdes DeCosta;

AND UPON HEARING counsel for the parties in respect of this Application;

AND IT BEING UNDERSTOOD by the parties that nothing in this Application shall be taken as an admission now or in the future by the Respondent or the Director of any facts, submissions or legal arguments for any other purposes, including future application under sections 92, 100, 104 or 106 of the Act;

THE TRIBUNAL ORDERS THAT:

Definitions

1. For the purposes of this Order, the following definitions shall apply:
 - (a) "Acquisition" means CWS's proposed acquisition of all of the issued and outstanding shares of Laidlaw from Allied;

- (b) "Allied" means Allied Waste Holdings (Canada) Ltd;
- (c) "Businesses" means the non-hazardous solid waste management businesses and other related businesses, carried on by Allied in the Markets and purchased or operated by CWS, and more particularly described in Appendix "A" hereto and "Business" means any one of them (identified by the context of use);
- (d) "Confidential information" means all competitively sensitive or proprietary information of the businesses, other than information which is independently known to CWS from sources other than from Allied and includes, but is not limited to, information on customer lists, price lists and marketing methods;
- (e) "CWS" means Canadian Waste Services Inc.;
- (f) "Divest" means to sell, transfer, assign, grant any option for the purchase of, pledge or otherwise dispose of or encumber;
- (g) "Divestiture period" means the period of time commencing on the earlier of the date of this Order or any other Order of the Tribunal which directs or provides for the Businesses to be held separate and apart and ending no earlier than the date of divestiture either by CWS or a Trustee;

(h) “Independent Manager” means a person(s) appointed by the Director and the Respondent who

(i) is not an employee of the Respondent or any person related thereto;

(ii) shall have the day to day management and responsibility for the operation of the Businesses;

(iii) shall be indemnified and remunerated by the Respondent;

and shall act in accordance with the terms of this Order with a view to holding the assets and operations of the Businesses separate and apart during that portion of the divestiture period prior to the appointment of a Trustee;

(i) “Laidlaw” means Laidlaw Waste Systems (Canada) Ltd. and Laidlaw Waste Systems Ltd.;

(j) “Markets” means Sarnia and Brantford and “Market” means any one of them (identified by the context of use);

(k) “Monitor” means the person appointed by the Director and the Respondent to monitor compliance of the Businesses within the terms of this Order, and who:

(i) shall not be an employee of the Respondent or any person related thereto;

(ii) shall be indemnified and remunerated by the Respondent;

- (l) "Persons" means any natural person, corporation, association, firm, partnership or other business or legal entity;
- (m) "Purchaser" means the person(s) or entity(ies) who purchase(s) the business(es) to be divested.

Application

- 2. The provisions of this Order apply to CWS and:
 - (a) each division, subsidiary, or other person controlled by CWS and each officer, director, employee, agent or other person acting for or on behalf of CWS with respect to any matter referred to in this Order;
 - (b) CWS's successors and assigns and all other persons acting in concert or participating with any of them with respect to the matters referred to in this Order who shall have received actual notice of this Order;
 - (c) the Trustee;
 - (d) the Monitor;
 - (e) the Independent Manager; and
 - (f) the Purchaser's successors and assigns.

Interim Management

3. During the divestiture period but prior to divestiture, CWS shall forthwith nominate an Independent Manager, to be appointed in accordance with this Order for the Brantford and Sarnia Businesses to manage and operate those Businesses independently of CWS's other Businesses during the period prior to divestiture, generally on conditions specified in paragraphs 4 to 12, and in accordance with this Order during the divestiture period.

4. During the divestiture period but prior to divestiture by CWS or the Trustee, the Independent Manager shall, to the extent required or permitted in this Order, take all necessary steps and give all necessary instructions to cause the Businesses and any servants or agents of CWS operating the Businesses to:
 - (a) operate each of the Businesses as if it was independent of CWS;
 - (b) use best efforts to maintain each of the Businesses at at least the same level of competition as existed prior to the closing of the transaction.;
 - (c) take all commercially reasonable steps to honour all contracts in each market and to maintain quality and service standards for customers at the level that existed prior to the closing of the transaction;
 - (d) use best efforts to enhance the competitiveness of each of the Businesses without regard to whether its competitor is CWS; and
 - (e) not knowingly to take or allow to be taken any action that adversely affects the competitiveness, assets, operations or financial status of any Business.

5. In particular, and without limiting the generality of paragraph 4, CWS shall not cause the Businesses to, and none of the Businesses shall, other than in the ordinary course of business or with the approval of the Director:
 - (a) divest any asset of any Business;
 - (b) reduce any aspect of the Businesses' level of service to any customer;
 - (c) make any changes to the financial arrangements of the Businesses;
 - (d) curtail marketing, sales, promotional or other activities of any of the Businesses in connection with the solicitation of existing or prospective customers;
 - (e) terminate or alter any current employment, salary or benefit agreements for any employees working in any of the Businesses.

6. CWS shall, to the extent required or permitted herein:
 - (a) take all steps necessary to ensure that each of the Businesses is maintained as a separate and independent operation;
 - (b) not take any steps toward integrating the assets, management, operations or books and records of any of the Businesses with those of CWS or any other person;

10. CWS and the Businesses shall not alter, or cause to be altered, the management of the Businesses as existed prior to the closing of the transaction.
11. CWS shall provide a copy of this Order to the managers of the Businesses and to the managers of the other CWS operations in the markets and CWS shall direct such managers to operate and manage such Businesses and operations in accordance with the terms of this Order.
12. Subject to paragraphs 8 and 9, CWS shall not directly or indirectly seek any confidential information in connection with, or (without the consent of the Director acting reasonably) exert or attempt to exert any influence, direction or control over, the Businesses or their managers or operational, sales, distribution, marketing or financial decisions.

Monitor

13. CWS shall forthwith nominate a Monitor to be appointed in accordance with this Order for each of the respective Businesses of the acquired companies. The Monitor (or any replacement) shall be responsible for monitoring each such Business as is necessary to ensure compliance with this Order during the divestiture period.
14. In the event that the Monitor is unable to perform his duties under this Order because of death, disability, termination for cause, or other reason, CWS shall appoint, subject to the approval of the Director, a new Monitor who may be an employee of CWS or of any of its affiliates for each Business within five business days. The same individual or different individuals may be appointed to act as Monitor for each of the Businesses. Should a new Monitor not be so appointed,