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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

FOURTH REPORT OF THE PROPOSAL TRUSTEE

OCTOBER 4, 2026

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1.0 INTRODUCTION

1. This report is being submitted by TDB Restructuring Limited in its capacity as proposal trustee (the “**Proposal Trustee**”) of National Traffic Safety Management Inc. (“**NTSM**” or the “**Company**”) in connection with a Notice of Intention to Make a Proposal filed by NTSM on April 24, 2026 (the “**Second NOI**”), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act. A copy of the certificate of filing issued by the Office of the Superintendent of Bankruptcy is attached as **Appendix “A”** to this report.
2. The Second NOI was filed by the Company to create a stabilized environment for NTSM to continue to operate in the ordinary course, while allowing the Company the opportunity to restructure its financial affairs.
3. The Certificate of Filing, together with Court documents related to the Second NOI proceeding has been posted on the Proposal Trustee’s website which can be found at:

<https://tdbadvisory.ca/insolvency-case/NTSM/> (the “**Case Webpage**”).
4. The Proposal Trustee has retained Paliare Roland Rosenberg Rothstein LLP as its independent legal counsel in connection with these proceedings.

1.1 Purpose of the Fourth Report to Court

5. The purpose of this report to Court (the “**Fourth Report**”) is to provide the Court with information and, where applicable, the Proposal Trustee’s views in connection with the motion by the Company for an extension of the deadline for the Company to file a proposal from October 5, 2026 to October 14, 2026 (the “**Sixth Stay Extension**”). The Company has advised the Proposal Trustee that the Sixth Stay Extension is being sought to provide sufficient time to give notice to the Company’s creditors and other stakeholders of a further motion at which the Company intends to seek approval of a proposed sale transaction involving substantially all of the Company’s business and assets.

1.2 Terms of Reference

6. In preparing this Fourth Report and making the comments herein, the Proposal Trustee has relied upon information from third-party sources (collectively, the **“Information”**), including the Company’s management. Certain of the information contained in the Fourth Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Proposal Trustee has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information.
7. Capitalized terms not defined herein have the meanings ascribed to them in the previous reports of the Proposal Trustee.
8. Unless otherwise stated, all dollar amounts contained in the Fourth Report are expressed in Canadian dollars.

2.0 BACKGROUND

9. The details of NTSM’s background, the events leading up to the filing of the Second NOI, and the developments in these proceedings to date are set out in the Proposal Trustee’s First Report dated June 13, 2026, Second Report dated July 30, 2026, and Third Report dated September 11, 2026 (the **“Third Report”**), all of which were previously filed with the Court and are available on the Case Webpage.
10. Additional details regarding the Company’s background and the events following the filing of the Second NOI can be found in the affidavit of Antonio Bruno sworn October 2, 2026 (the **“Fifth Bruno Affidavit”**), which is included in the Company’s motion materials.

11. As set out in the Third Report, on September 4, 2026, CORFinancial Corp. issued a commitment letter to A2 Environmental Group Inc. (“**A2**”), pursuant to which it committed, subject to certain conditions, to provide A2 with a loan facility in the aggregate principal amount of \$2.1 million to finance a proposed acquisition of the Company’s business and assets.
12. On September 14, 2026, the Court granted an Order extending the time for the Company to file a proposal to October 5, 2026 in order to provide the Company with additional time to prepare a sale process for the sale of the business.

3.0 CASH FLOW FORECAST AND CURRENT OPERATIONS

13. As noted in Section 3.0 of the Third Report, the Company prepared a Cash Flow Forecast for the period July 24, 2026 to October 23, 2026. The Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee and contemplated that the Company would have sufficient liquidity to fund its operations during the forecast period.
14. As described in the Third Report, the Company experienced liquidity constraints during the previous stay period and did not remain current with certain of its post-filing obligations. As of the date of the Third Report, the Company had approximately \$280,000 in outstanding post-filing obligations owing to the Canada Revenue Agency (“**CRA**”), comprising approximately \$255,000 in HST arrears and \$25,000 in source deduction arrears.
15. The Company has advised the Proposal Trustee that its liquidity has remained constrained and that certain of its post-filing obligations have continued to accrue. As of the date of this Fourth Report, the Company has advised the Proposal Trustee that approximately \$25,000 is owing to CRA in respect of source deductions and approximately \$300,000 is owing in respect of HST obligations incurred following the filing of the Second NOI.
16. The Proposal Trustee further understands from the Company that it has not remained current with certain obligations arising under its collective agreement with the Labourers’ International Union of North America (“**LIUNA**”). The Proposal Trustee

understands that the Company has been making weekly payments of \$10,000 to LIUNA Local 837 in respect of pension contribution obligations. The Company has further advised that amounts remain outstanding in respect of pre-filing and post-filing pension and vacation pay obligations and that discussions are ongoing with representatives of LIUNA Local 837 regarding the treatment and payment of such amounts.

17. The Company has also advised that amounts remain owing to Emkay Canada Leasing Corp. (“**Emkay**”) in respect of leased vehicles used in the Company’s operations. As discussed further below, the Company advises that the proposed transaction with A2 contemplates an agreed upon payment to Emkay in connection with the purchase of the leased vehicles.
18. The Company has advised the Proposal Trustee that the proposed transaction with A2 is intended to address a number of the Company’s outstanding obligations, including amounts owing to CRA, certain pre-filing employee claims, amounts owing under the collective agreement following the filing of the Second NOI, amounts owing to Emkay and outstanding professional fees. The proposed transaction and the treatment of these obligations are discussed in further detail below.

4.0 PROPOSED SALE TRANSACTION

4.1 Proposed Transaction

19. As described in the Fifth Bruno Affidavit, the Company has advised the Proposal Trustee that it has prepared an asset purchase agreement (the “**APA**”) with A2 (the “**Purchaser**”), pursuant to which A2 proposes to acquire substantially all of the Company’s business and assets as a going concern (the “**Proposed Transaction**”). The Proposed Transaction remains subject to, among other things, approval of this Court.
20. The Company has advised the Proposal Trustee that the material terms of the APA include, among other things:

- a) **Purchased Assets:** substantially all of the Company's business and assets as a going concern;
- b) **Employees:** the Purchaser intends to retain the employment of all of the Company's current 49 unionized and 18 non-unionized employees;
- c) **Purchase Price:** a purchase price sufficient to address all of the following amounts:
 - i. all amounts owing to Oxygen Working Capital Corp. ("**Oxygen**") as of the closing date in respect of its term loan. The Proposal Trustee understands that Oxygen factored certain of the Company's receivables and has a first secured charge on the Company's assets;
 - ii. all amounts owing to CRA in respect of source deductions;
 - iii. all amounts owing to CRA in respect of HST obligations incurred following the filing of the Second NOI;
 - iv. a certain amount in respect of pre-filing employee claims;
 - v. all amounts owing under the collective agreement following the filing of the Second NOI;
 - vi. the amount payable to Emkay in connection with the purchase of the vehicles leased by Emkay; and
 - vii. all amounts owing to the Proposal Trustee, the Proposal Trustee's counsel, and the Company's legal counsel as at closing, plus the amount required for the Proposal Trustee to complete the Company's insolvency and bankruptcy proceedings.
- d) **Deposit:** a deposit of \$100,000 to be paid prior to the return of the Company's motion seeking approval of the APA; and

- e) **Material Conditions:** the granting of an approval and vesting order and the Company, the Purchaser and the Union reaching an agreement with respect to the payment of certain pre-filing employee claims.
- 21. The Company has further advised the Proposal Trustee that discussions have, and remain, ongoing between A2 and representatives of LIUNA Local 837 regarding the treatment and payment of certain pre-filing and post-filing pension and vacation pay obligations.
- 22. The Proposal Trustee has only recently been advised of the final proposed terms of the APA and, as of the date of this Fourth Report, has not had sufficient time to complete its review and assessment of the APA and the Proposed Transaction. Accordingly, the Proposal Trustee is not presently in a position to express a view regarding the Proposed Transaction or make a recommendation to the Court with respect to the Proposed Transaction.

4.2 Other Potentially Interested Parties

- 23. In connection with its ongoing assessment of the Proposed Transaction, the Proposal Trustee is considering whether there are any other parties that may have an interest in acquiring the Company and/or its assets. As of the date of this Fourth Report, the Proposal Trustee is aware of two parties that have expressed some level of interest.
- 24. The first party is a group comprised of certain shareholders of the Company (the “**Shareholder Group**”). The Shareholder Group has been apprised of the status of the Company’s insolvency proceedings since the commencement of the Company’s first notice of intention to make a proposal. However, as of the date of this Fourth Report, the Proposal Trustee has not received a letter of intent, offer or other written indication from the Shareholder Group setting out the nature, scope or level of its interest in acquiring the Company and/or its assets (or any ability to do so).
- 25. The second party is an arm’s-length third party that has expressed, at a general and preliminary level, an interest in the Company and/or its assets. To date, the Proposal Trustee has not engaged in substantive discussions with this party regarding a potential transaction and has not received a letter of intent, offer or other written

indication setting out the nature, scope or level of its interest (or its ability to complete a transaction).

26. The Proposal Trustee has requested that each of the Shareholder Group and the arm's-length third party provide, forthwith, clear confirmation of the nature and level of its interest in the Company and/or its assets, including whether it intends to pursue a transaction involving all or any portion of the Company's business or assets. As of the date of this Fourth Report, the Proposal Trustee has not received any written correspondence from either party identifying the nature or level of its interest or the terms of any potential transaction.

4.3 Proposal Trustee's Review and Next Steps

27. The Proposal Trustee intends to continue its review and assessment of the APA and the Proposed Transaction, including the consideration to be provided thereunder, the proposed treatment of the Company's obligations and stakeholders, and the circumstances surrounding the Proposed Transaction. Based on its preliminary review of the APA, the Proposal Trustee is of the view that the consideration to be realized thereunder is materially superior to the recoveries that would likely be achieved through a bankruptcy liquidation.
28. The Proposal Trustee will also continue its discussions with the parties described in Section 4.2 above to determine whether either party intends, and is able to, to advance a potential transaction.
29. The Proposal Trustee intends to report further to the Court regarding the Proposed Transaction, including the matters described above, in advance of the Company's motion seeking approval of the APA. The Proposal Trustee understands that the Company intends to seek approval of the APA in approximately one week's time, subject to court availability. The Proposal Trustee recognizes that this does not leave much time to continue discussions with the potential interested parties identified above. However, the Proposal Trustee recognizes that there is time pressure given that the Company has limited resources to run a sales process and the deadline for filing a proposal is October 26, 2026.

5.0 EXTENSION OF THE STAY OF PROCEEDINGS

30. The Company is seeking the Court's approval for the Sixth Stay Extension.
31. The Company has advised the Proposal Trustee that the Sixth Stay Extension is required to provide sufficient time to give notice to the Company's creditors and other stakeholders of a further motion at which the Company intends to seek approval of the APA and the Proposed Transaction.
32. As discussed above, the Proposal Trustee has not yet completed its review and assessment of the APA and the Proposed Transaction. The Sixth Stay Extension will provide the Proposal Trustee with additional time to complete its review, including to further assess the interests of the other parties identified above, and to report to the Court in connection with the Company's proposed motion seeking approval of the APA.
33. The Company has advised the Proposal Trustee that it intends to return to Court prior to October 14, 2026 to seek, among other things, approval of the APA and a final extension of the deadline to file a proposal to October 26, 2026. October 26, 2026 represents the expiry of the six-month period following the filing of the Second NOI and, accordingly, would be the final extension available to the Company under the *Bankruptcy and Insolvency Act*.
34. Based on the information presently available, the Proposal Trustee supports the Sixth Stay Extension for the following reasons:
 - a) the Company has acted, and is acting, in good faith and with due diligence;
 - b) the Sixth Stay Extension is for a limited period and will provide sufficient time for the Company to provide notice to its creditors and other stakeholders of its proposed motion seeking approval of the APA and the Proposed Transaction;
 - c) the Sixth Stay Extension will provide the Proposal Trustee with additional time to complete its review and assessment of the APA and the Proposed Transaction, including the matters described in Section 4.0 of this Fourth Report;

- d) the Sixth Stay Extension will allow the Proposal Trustee to further assess the nature and extent of the interests of the other parties identified above and report to the Court in connection with the Company's proposed motion seeking approval of the APA; and
 - e) the Proposal Trustee does not believe that the Sixth Stay Extension will materially prejudice the Company's creditors.
35. For greater certainty, the Proposal Trustee's support for the Sixth Stay Extension should not be construed as the Proposal Trustee expressing a view at this time regarding the Proposed Transaction or recommending that the Court approve the APA. The Proposal Trustee intends to provide its views regarding the Proposed Transaction in its report to be filed in connection with the Company's proposed sale approval motion.
36. Accordingly, the Proposal Trustee is of the view that the Sixth Stay Extension is appropriate in the circumstances as it will provide the Company and the Proposal Trustee with the time necessary to advance the matters described above.

6.0 PROPOSAL TRUSTEE'S REQUEST OF THE COURT

37. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court grant the relief sought by the Company, as described in paragraph 4 above.

All of which is respectfully submitted to this Court as of this 4th day of October 2026.

TDB RESTRUCTURING LIMITED, solely in its capacity
as Proposal Trustee of National Traffic Safety Management
Inc. and not in its personal or corporate capacity

Per:



Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

APPENDIX "A"



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-3064916
Estate No. 31-3064916

In the Matter of the Notice of Intention to make a proposal of:

National Traffic Safety Management Inc.

Insolvent Person

TDB Restructuring Limited

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 08, 2024, 07:19

E-File/Dépôt Electronique

Official Receiver

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Canada