

**THE FOLLOWING IS EXHIBIT "H" REFERRED
TO IN THE AFFIDAVIT OF MARK J. WONG
SWORN JANUARY 14, 2015**



Commissioner for Taking Affidavits

ADMINISTRATIVE SERVICES AGREEMENT (TBI to Target Canada)

THIS ADMINISTRATIVE SERVICES AGREEMENT (the "**Agreement**") is dated as of January 14, 2015, and shall be effective as of April 14, 2015 (the "**Effective Date**") by and between Target Brands, Inc., a corporation organized and existing under the laws of the State of Minnesota ("**TBI**"), and Target Canada Co., an unlimited company organized and existing under the laws of Nova Scotia ("**Target Canada**").

RECITALS:

WHEREAS, TBI and Target Canada are parties to that certain Master Agreement effective as of February 3, 2013 ("**Master Agreement**"), pursuant to which TBI provided certain services to Target Canada in support of Target Canada's retail operations.

WHEREAS, on January 14, 2015, TBI gave three-month written notice to Target Canada of the termination of the Master Agreement and the Master Agreement will hereby terminate at the end of the three months on the Effective Date.

WHEREAS, Target Canada intends to file an application under the provisions of the Companies' Creditors Arrangement Act Canada (the "**CCAA**"), pursuant to which it will conduct an orderly wind down and liquidation of its retail operations (the "**CCAA Proceedings**").

WHEREAS, TBI possesses the knowledge, expertise, resources and ability to provide certain services to Target Canada during the CCAA Proceedings, and Target Canada desires to engage TBI, effective as of the Effective Date, to perform such services, and TBI desires to provide the services to Target Canada, in the manner and on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SERVICES

1.1 Services Provided to Target Canada. TBI hereby agrees to perform through its own resources or through its contractual relationships with its U.S. affiliated legal entities or provided by third parties, pursuant to a duly executed agreement, certain services for Target Canada, as further described on Schedule A, all solely in connection with Target Canada's CCAA Proceedings (the "**Services**"). The parties agree that the level of support and Services will reduce over time generally during the CCAA Proceedings to reflect the reduction in level of support and Services required by Target Canada during the CCAA Proceedings.

1.2 Additional Services Provided by TBI. In addition, at Target Canada's request, from time to time, other services ("**Additional Services**") may be provided or arranged by TBI for an additional fee ("**Additional Fee**"), and as otherwise agreed by Target Canada and TBI in

consultation with the Monitor appointed under the CCAA in respect of the CCAA Proceedings (the "**Monitor**") with respect to, among other things, the payment of the Additional Fee, but still subject to the terms and conditions of this Agreement.

2. FEES

2.1 Fees. In consideration for the Services and any related materials and property provided by TBI, Target Canada agrees to pay TBI an arm's length fees ("**Fee**") as agreed upon between the Parties from time to time. As reflected on Schedule B, the Parties anticipate that the Fee shall be adjusted from time to time, in consultation with the Monitor, to reflect the reduction in level of support and Services required by Target Canada during the CCAA Proceedings. The Parties agree to review Schedule B and the level of Services from time to time, and will make any necessary adjustments as they mutually agree in consultation with the Monitor.

2.2 Payment of Fees. The Fee shall accrue and be charged on a monthly basis based on Target Canada's fiscal year and shall be paid no later than thirty (30) days after the end of each such month.

2.3 Exclusive of Sales Taxes. All amounts payable by Target Canada to TBI pursuant to this Agreement do not include any value-added, sales, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, or similar taxes, duties, or charges, (collectively "**Sales Taxes**") and all Sales Taxes are the responsibility and for the account of Target Canada. If TBI is required by law or by administration thereof to collect any applicable Sales Taxes, Target Canada shall pay such Sales Taxes to TBI concurrent with the payment of any consideration payable pursuant to this Agreement, unless Target Canada qualifies for an exemption from any such applicable Sales Taxes, in which case Target Canada shall, in lieu of payment of such applicable Sales Taxes, deliver to TBI such certificates, elections, or other documentation required by law or the administration thereof to substantiate and effect the exemption claimed.

2.4 Currency. All payments must be made in United States dollars ("**US Dollar**") unless otherwise agreed by the Parties. Any reported amount in currencies other than the US dollar shall be translated into US dollars at the prevailing bookkeeping rate used by Target Canada during the period in which the amount is recognized under GAAP as applied by Target Canada for financial reporting purposes.

2.5 Non-Residency. As TBI is a non-resident of Canada, as that term is defined in the Income Tax Act (Canada), as amended from time to time and all regulations promulgated thereunder from time to time, if Target Canada is required to withhold tax in accordance with Section 2.6 and Section 2.7 then payments under this Agreement by Target Canada shall be reduced by the amount of such withholding taxes and Target Canada shall remit such withholding taxes to the applicable taxing authorities. Target Canada shall provide TBI with a copy of any information reporting forms required to be filed by Target Canada with the applicable taxing authorities on or before the filing due date for such forms. If, after Target Canada has paid such amounts, Target Canada receives a refund, rebate or credit on account of such taxes, then Target Canada shall promptly remit such refund, rebate or credit amount to TBI.

2.6 Regulation 105.

- (a) Subject to the terms of Section 2.6(b), 2.6(c), 2.6(d), and 2.6(e) hereof, where Target Canada makes a payment to TBI for services rendered in Canada, Target Canada shall reduce the payment amount by 15% pursuant to Regulation 105 of the Income Tax Act (Canada) and shall remit such withheld amount to the applicable taxing authorities. A further 9% will be withheld and remitted to the applicable taxing authorities if the services are provided in the province of Quebec.
- (b) Where Target Canada is required to make a payment to TBI for TBI Services rendered by TBI inside Canada, Target Canada shall withhold all applicable amounts as outlined in Section 2.6(a) on the entire payment unless TBI provides Target Canada, within ten (10) days of the request for payment from Target Canada, with records evidencing the portion of the required payment that is in respect of the TBI Services rendered inside of Canada. If such records are timely provided, Target Canada shall withhold all applicable amounts as outlined in section 2.6(a) on the payment that is in respect of services rendered inside of Canada.
- (c) Where Target Canada is required to make a payment to TBI for Services rendered both inside and outside of Canada, Target Canada shall withhold all applicable amounts as outlined in Section 2.6(a) on the entire payment unless TBI provides Target Canada, within ten (10) days of the request for payment from Target Canada, with records evidencing the portion of the required payment that is in respect of Services rendered inside of Canada and the portion of the required payment that is in respect of Services rendered outside of Canada. If such records are timely provided, Target Canada shall withhold all applicable amounts as outlined in section 2.6(a) on the payment that is in respect of Services rendered inside of Canada.
- (d) Where Target Canada is required to make a payment to TBI for any amounts invoiced (or otherwise charged) by TBI's consultants or other service providers to TBI, Target shall withhold all applicable amounts on the payment as outlined in Section 2.6(a) unless TBI provides Target Canada, within ten (10) days of the request for payment from Target Canada, with records evidencing that the required payment is a reimbursement of amounts invoiced (or otherwise charged) by TBI's consultants or other service providers to TBI.
- (e) Where prior to any applicable payment by Target Canada to TBI, TBI has furnished Target Canada with a valid waiver issued by the tax authorities either reducing or eliminating the requirement to withhold tax for the services in question, Target Canada will take into account any relief provided by the applicable waiver, and reduce its withholding obligation accordingly, however only in the circumstances where Target Canada

determines such reduction is appropriate and in accordance with the provisions of the applicable waiver.

2.7 Withholding Taxes. In the event that any withholding taxes or other duties are levied on any payments due to TBI from Target Canada (other than those covered in Section 2.6), Target Canada intends to fully comply with its requirements and remit such withholding taxes to the applicable taxing authorities. Target Canada will take into account any relief provided by an applicable income tax convention, and reduce its withholding obligation accordingly, however only in the circumstances where Target Canada determines such reduction is appropriate and in accordance with the provisions of the applicable income tax convention. Target Canada shall not be required to pay TBI any additional amount in respect to taxes withheld by Target Canada on payments made to TBI and, as outlined in Section 2.5, shall pay to TBI each amount due on which such withholding taxes or other duties are levied as a net amount. Where TBI is eligible to receive a reduced rate of tax or exemption provided by an applicable income tax convention in respect of a payment made by Target Canada to TBI, TBI will complete and retain the Canadian tax Form NR301 (*DECLARATION OF ELIGIBILITY FOR BENEFITS UNDER A TAX TREATY FOR A NON-RESIDENT TAXPAYER*) as support for residency requirements under the applicable income tax convention.

3. TERM AND TERMINATION

3.1 Term. This Agreement shall commence as of the Effective Date and shall continue until the earlier of: (i) the date on which the stay pursuant to the CCAA Initial Order made in the CCAA Proceedings, as amended from time to time, finally expires without being extended; (ii) the date on which the CCAA Proceedings is terminated; (iii) January 15, 2016; or (iv) such later date agreed to by both parties in consultation with the Monitor (the "**Term**").

3.2 Termination. This Agreement may be terminated by mutual agreement among the Parties and the Monitor.

3.3 Consequences upon Termination.

- (a) Upon termination or expiration of this Agreement, the parties shall continue to be bound by the provisions of Section 4 (Limitation of Liability), Section 5 (Confidentiality), Section 6 (Cooperation), Section 7 (Compliance with Laws), Section 9 (Relationship Between the Parties), and Section 10 (General Provisions).
- (b) Further, in the event of termination of this Agreement under any of its provisions, Target Canada is not relieved of its liabilities accruing up to the time of termination.

4. LIMITATION OF LIABILITY

4.1 Target Canada's Liability. Target Canada will indemnify, defend and hold TBI harmless from and against any and all claims, demands, suits, losses, damages and liabilities (including, without limitation, interest and reasonable attorneys' fees) arising out of or resulting from Target Canada's failure to comply with any law, ordinance or regulation applicable to its

business or Target Canada's breach of this Agreement, except to the extent TBI has primary liability pursuant to Section 4.2.

4.2 TBI's Liability. TBI will indemnify, defend and hold Target Canada harmless from and against any and all claims, demands, suits, losses, damages and liabilities (including, without limitation, interest and reasonable attorneys' fees) arising out of or resulting from TBI's failure to comply with any law, ordinance, or regulation applicable to its business or TBI's breach of this Agreement, except to the extent Target Canada has accepted primary liability pursuant to Section 4.1.

4.3 Notice. A party's obligation to defend and indemnify the other hereunder is subject to the conditions that the party seeking indemnification promptly notifies the other party in writing of any such claim, the party seeking indemnification cooperates fully in defense of the claim and the indemnifying party has control of the defense, to the extent of the indemnity.

5. CONFIDENTIALITY

Each Party agrees to hold in confidence and otherwise not disclose or make available to any third party (other than to the other party's employees, accountants, attorneys and other representatives on a need-to-know basis) any Confidential Information. For purposes of this Agreement, "Confidential Information" means all documents, records, data and information maintained or otherwise revealed in connection with the performance of this Agreement. The Parties' obligations under this Agreement regarding Confidential Information shall not apply to any Confidential Information which (a) was known by the party before it was disclosed and was not subject to any obligation of confidentiality, (b) was in the public domain or entered the public domain through no fault of the party, or (c) must be disclosed by virtue of the CCAA Proceedings, operation of law or pursuant to a court order or ruling.

6. COOPERATION

6.1 Mutual Assistance. The Parties agree to mutually assist one another to ensure that the Services provided under this Agreement are satisfactorily performed.

6.2 Books and Records. The Parties shall at all times keep complete and accurate books and records related to the Services. Upon reasonable notice and during usual business hours, TBI may review, inspect and audit the relevant books and records of Target Canada and Target Canada may review, inspect and audit the relevant books and records of TBI to ascertain compliance with this Agreement. Any such review, inspection or audit of books and records may be undertaken through an agent or employee of the party or by independent certified public accountants or counsel designated by such party. Each party is responsible for expenses incurred in any review, inspection or audit conducted in accordance with this section.

7. COMPLIANCE WITH LAWS

7.1 Compliance with the Law. TBI must strictly comply with all applicable laws, rules, regulations and governmental orders, now or hereafter in effect, relating to its performance of this Agreement. TBI further agrees to make, obtain, and maintain in force at all times during

the term of this Agreement, all filings, registrations, reports, licenses, permits and authorizations (collectively "Authorizations") required under applicable law or order in order for TBI to perform its obligations under this Agreement. Target Canada will provide TBI with such assistance as TBI may reasonably request in making or obtaining any such Authorizations.

7.2 Export Law Compliance. Target Canada undertakes to obtain all licenses, permits or approvals required by any government in connection with the wind down and liquidation of its retail operations, including compliance with all applicable rules, policies and procedures of the US and Canadian governments. TBI and Target Canada each agree to provide the other such information and assistance as may reasonably be required by the other in connection with securing such licenses, permits and approvals, and to take timely action to obtain all required import and export documents.

7.3 Changes in the Law. TBI will inform Target Canada of all actual and anticipated changes in the law or regulatory environment that might have an impact on the provision of Services under this Agreement.

8. REPRESENTATIONS

8.1 Target Canada's Representations. Target Canada covenants and represents that it is an unlimited company formed under and governed by the laws of Nova Scotia in good standing under the laws of such jurisdiction and that the officers of Target Canada are authorized to execute this Agreement on behalf of Target Canada, and that it agrees to cooperate with TBI to give information to TBI and provide TBI with access to its shareholder, officers, employees and agents and affiliates of Target Canada as necessary for the performance of the Services.

8.2 TBI's Representations. TBI covenants and represents that it is a Minnesota corporation in good standing under the laws of such jurisdiction and that the officers of TBI are authorized to execute this Agreement on TBI's behalf.

9. RELATIONSHIP BETWEEN THE PARTIES

TBI, in providing Services and any related materials and property to Target Canada hereunder, is acting only as an independent contractor. The Parties agree that the relationship between them is not that of partners and, except as expressly authorized in writing or pursuant to the terms of this Agreement, neither party has the authority to act on behalf of or bind the other party. TBI has the sole right and obligation to supervise, manage, direct and perform the Services, unless otherwise provided herein.

10. MISCELLANEOUS

10.1 Governing Law; Venue. This Agreement is governed by, and construed in accordance with, the laws of Minnesota conflict-of-law principles excluded.

10.2 Amendments. No provision of this Agreement shall be amended or waived except by a written agreement executed by both parties in consultation with the Monitor.

10.3 Severability. If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10.4 Headings. The descriptive headings contained herein are for convenience only and shall not control or affect the meaning, interpretation or construction of any provision of this Agreement.

10.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and legal representatives of the respective parties hereto. This Agreement may not be assigned by any party without the prior written consent of the other party, except to an entity directly or indirectly controlling, controlled by, or under common control with the assigning party. This Agreement shall cease to be effective and shall immediately terminate if Target Canada or any assignee of Target Canada is not an Affiliate. "*Affiliate*" means a corporation, company or other legal entity which is a member of the Target Group for United States Generally Accepted Accounting Principles purposes. "*Target Group*" means Target Corporation and its related entities.

10.6 Notices. All notices required by this Agreement shall be in writing to the addresses set forth below, or such other addresses as may be designated in writing by the respective party. Any notices shall be deemed effectively given when received by the other party.

If to Target Canada:

Target Canada Co.
5570 Explorer Drive
Mississauga, ON L4W 0C3
Canada
Attention: General Counsel

If to TBI:

Target Brands, Inc.
1000 Nicollet Mall
Minneapolis, Minnesota 55403
Attention: Stephen C. Lee

10.7 Counterparts. This Amendment may be executed in counterparts and delivered by means of facsimile or portable document format (PDF) copies, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

****[Signature Page to Follow]****

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

TARGET CANADA CO.

By: 

Name: Aaron E. Alt

Title: CEO, President and Treasurer

TARGET BRANDS, INC.

By: 

Name: Stephen C. Lee

Title: Vice President

[Signature Page to TBI to Target Canada Administrative Services Agreement]

SCHEDULE A**Services**

- i. Accounting, Accounts Payable, Financial Reporting, Finance services;
- ii. Assets Protection services;
- iii. Cash Management services;
- iv. Communication and Public Relations services;
- v. Human Resources and Payroll services;
- vi. Legal services;
- vii. Office Administration services;
- viii. Risk Management services;
- ix. Tax Compliance services;
- x. TTS/SAP/Information services;
- xi. Real Estate services;
- xii. Merchandising-related services; and
- xiii. Other ad hoc consulting requests by Target Canada.

SCHEDULE B

The Fee (as defined in Section 2.1 of the Agreement) for services and technology paid by Target Canada to TBI will reduce over time generally as follows to reflect the reduction in level of support and services required by Target Canada:

Time Period (month end)	Services and Technology Charge (est.)
April 15 – May 2, 2015	\$7,416,000 on a pro rata basis (based on April 5 start)
May 30, 2015	\$3,021,000
July 4, 2015	\$3,397,000
August 1, 2015	\$2,718,000
August 29, 2015	\$2,718,000
October 3, 2015	\$3,397,000
October 31, 2015	\$2,718,000
November 28, 2015	\$1,908,000
January 2, 2016	\$2,120,000
January 30, 2016	\$696,000