ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00738613-00CL **HEARING DATE: July 27, 2026**

NO. ON LIST: 2

TITLE OF PROCEEDING: HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI; HBC CANADA PARENT HOLDINGS INC; HBC CANADA PARENT HOLDINGS 2 INC; HBC BAY HOLDINGS I INC; HBC BAY HOLDINGS II ULC; HBC HOLDINGS GP INC; THE BAY HOLDINGS ULC; HBC CENTERPOINT GP INC; HBC YSS2LP INC; SN OSPMIS LIMITED; HBC YSS 1 LP INC; 2472596 ONTARIO INC; 2472598 ONTARIO INC v. REVENU QUÉBEC; Chelsey Boucher; Lucio Cammisa; Orazio Mazzotta; Mozac Mohammed-Ali; SCHINDLER ELEVATOR CORPORATION; His Majesty the King in Right of Canada as represented by the Minister of National Revenue; INDO COUNT INDUSTRIES INDIA LIMITED; DIESEL CANADA INC; UNITED STEELWORKERS Local 1-417; LEVI STRAUSS & CO; RICHEMONT CANADA INC; MAPLE LEAF SPORTS & ENTERTAINMENT PARTNERSHIP; HIS MAJESTY THE KING IN RIGHT OF ONTARIO; HIS MAJESTY THE KING IN RIGHT OF MANITOBA; Restore Capital LLC, in its capacity as FILO AGENT; HCS 102, LLC; Tiger Asset Solutions Canada, ULC; 1903 Partners, LLC; WESTCLIFF MANAGEMENT LTD.; GA Group Solutions LLC; ATTORNEY GENERAL OF CANADA; RAPID CONSTRUCTION SOLUTIONS INC.; DKRT FAMILY CORP.; THE ASSOCIATION FOR MANITOBA ARCHIVES; RUBY LIU COMMERCIAL INVESTMENT CORP. ; ROYAL TRUST CORPORATION OF CANADA

BEFORE: JUSTICE KIMMEL

PARTICIPANT INFORMATION

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ENDORSEMENT OF JUSTICE KIMMEL:

[1] The Applicants are seeking a Transition Order, which, would, among other things, enhance the powers of the Monitor as they relate to the Applicants, to address remaining matters in these CCAA Proceedings, ensure an orderly transition of responsibilities, and facilitate the winding down of the Applicants.

[2] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the Applicants' Factum filed for this motion.

[3] A year ago in July of 2025, the Applicants opposed a similar request for the removal of the Board of Directors and the granting enhanced powers for the Monitor made by the FILO Agent (the "FILO Motion"), which motion was dismissed by Osborne J. (as he then was) by reasons released on October 24, 2025.

[4] The FILO Agent renewed its request for the granting of enhanced powers to the Monitor in June of 2026, with Pathlight's support. The Applicants now agree that it is no longer premature and a transition is appropriate. Accordingly, they have worked together with the Secured Creditors and the Monitor to find a way to implement the enhancement of the Monitor's powers pursuant to an appropriate transition order and plan, which is reflected in the proposed Transition Order that was served on the Service List (together with the supporting material) a week ago. There is no opposition to the requested order this time.

[5] An Affidavit of Thomas Obersteiner sworn July 20, 2026 (the "Obersteiner Affidavit") and the Monitor's Seventeenth Report dated July 22, 2026 (the "Seventeenth Report") provide the factual support for the requested Transition Order.

[6] As summarized in paragraph 7 of the Applicants' factum filed on this motion and in the Monitor's Seventeenth Report and the Obersteiner Affidavit, since the FILO Motion, circumstances have changed and the CCAA Proceedings and monetization efforts have advanced materially, in that:

(a) the Central Walk APA transaction has concluded, with no appeals taken from the October 24 Endorsement;

(b) the Art Collection Auction has concluded, with one item remaining to be sold through Heffel's next general online auction;

(c) the Charter sale has closed;

(d) WEPPA matters for employees and former employees have been resolved;

(e) hardship fund and Employee Health Trust matters have been resolved, with this Court approving the Hardship Term Sheet on February 11, 2026;

(f) FF&E removal and demolition have been completed at all stores, including those under the RioCan JV receivership, and signage removal is complete at all former store locations; and

(g) a Pension Surplus recovery process has been initiated, including the appointment of Pension Plan Representative Counsel and a Court-appointed Mediator by Orders granted on June 26, 2026.

[7] The court's jurisdiction to grant enhanced (sometimes referred to as "super") powers to the Monitor is well established: see, for example, *Nortel Networks Corporation (Re)*, 2015 ONSC 2987, at para. 42; *The Body Shop Canada Limited* (December 14, 2024), Ontario Superior Court of Justice [Commercial List], at paras. 37-38 (Endorsement); *DCL Corporation* (May 8, 2023) Ontario Superior Court of Justice [Commercial List], at para 7 (Endorsement); and *Accuride Canada Inc. v Arcelormittal Dofasco GP et al.* (January 27, 2025) Ontario Superior Court of Justice [Commercial List], at paras 5(a), 8-9 (Endorsement).

[8] Section 23(1)(k) of the CCAA provides that the Monitor may "carry out any other functions in relation to the [debtor] company that the court may direct". In addition, section 11 of the CCAA authorizes this Court to make any order that is necessary and appropriate in the circumstances.

[9] The Monitor has agreed to accept this enhanced role, with certain protections that are reflected in the terms of the now proposed draft Transition Order. The proposed Transition Order confirms existing, and confers additional, protections for the Monitor in its expanded role. It is often the case when these types of orders are granted that the Monitor will only agree to the enhanced powers and responsibilities if coupled with enhanced protections. As this court has observed, it is well known that this court has the jurisdiction to protect its officers from liability, and that such protections promote the proper and orderly conduct of an insolvency proceeding to avoid unnecessary and unjustified proceedings: see *One Bloor West Toronto Group (The One) Inc. (Re)*, 2026 ONSC 1854, at paras. 43-44.

[10] The current directors of the Applicants have indicated they intend to resign at meetings scheduled to be held on Wednesday July 29, 2026, if the proposed Transition Order is granted that includes the specific protections that have been confirmed will continue for them should they need to avail themselves of those protections after they have resigned, subject to the specified conditions for so doing. It was clarified at the hearing of this motion that the D & O protections contained in the Transition Order are not intended to replace or displace, but rather will supplement, any available insurance for the continuing sole director (Mr. Obersteiner) or any former directors and officers of the Applicants.

[11] The Monitor will also have the authority to draw upon the support and assistance of a "Company Representative" and Mr. Obersteiner has agreed to accept that appointment in the event that there are corporate acts that are more appropriately carried out by someone in either the capacity of an authorized representative or sole director, rather than by the Monitor itself, even though the order makes it clear that in such instances he will only be acting in accordance with the Monitor's instructions and under its authority. If requested by the Monitor to facilitate the remaining matters, the Company Representative may assist by way of being appointed as sole director and/or authorized representative, with necessary protections in the draft Transition Order. He has agreed to accept these appointments to facilitate the transition to the conclusion of these CCAA proceedings, with certain protections in place.

[12] The current remaining employees and consultants will continue to be available to assist and support the Monitor as well.

[13] The limited matters that now remain to be addressed in these CCAA Proceedings are outlined in s. 4.6 of the Monitor's Seventeenth Report and include:

(a) completing the implementation of the Hardship Programs Term Sheet;

(b) determining the issues raised in the Royal Trust Motion;

(c) attending to remaining matters involving the JV Entities in their ongoing receivership proceedings;

(d) determining the FILO Agent's Make-Whole claim, if any, and making additional distributions to the Applicants' secured lenders; and

(e) attending to various CCAA administrative matters, including the disposition of miscellaneous assets.

[14] The proposed Transition Order would authorize and empower the Monitor to do various things in the name of and on behalf of the Applicants, some of which are standard corporate governance and administrative tasks and some of which have been tailored to the specific known and anticipated remaining steps to bring these CCAA proceedings to a close. I have reviewed the specific provisions and consider them to be reasonable and appropriate and consistent with the CCAA and judicial precedent.

[15] Some of the bespoke provisions of the proposed Transition Order are a function of the timing of this request, which is not at the end of the CCAA proceedings in circumstances in which there still remain limited, but significant, outstanding matters that will still need to be addressed. There are examples of enhanced powers orders being made in other cases where there were still significant matters to address (e.g., *Nortel* in which the "super" Monitor dealt with significant ongoing litigation and in *DCL* where the "super" Monitor dealt with ongoing pension issues, both of these being among the types of ongoing issues that the Monitor in this case will be contending with in its enhanced role).

[16] I raised at the hearing an issue about the wording of paragraph 9 of the draft Transition Order, which provided that: the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies, in light of this court's recent consideration of deeming language under taxation statutes in other contexts (see *One Bloor West Toronto Group (The One) Inc. (Re)*, 2026 ONSC 1854, at paras. 31-61). Counsel for the Applicants and the Monitor have reviewed this and other decisions addressing protections for court officers against tax liability, for example when making court approved distributions on behalf of companies involved in restructuring proceedings, and have come up with proposed revised wording for that paragraph of the Transition Order that is more aligned with the approach in those other (more recent) cases.

[17] The relevant taxation authorities should be provided with a copy of the signed order and this endorsement and if they have any concerns about it they may seek a further attendance, as any stakeholder may do under the standard comeback in these types of circumstances if they were not on notice of this

request. Given the timing of the proposed board resignations and next steps I have determined that to be the prudent manner of proceeding.

[18] The Transition Order is granted. The revised form dated July 27, 2026 and signed by me today may issue.

Kimmel J.

Date: July 28, 2026

Jessica Kimmel