Court File No. CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

Applicants

FOURTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

MARCH 16, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**").

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

1.3 Since the Initial Order was granted, this Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. This Report (the "**Fourteenth Report**") does not contain a detailed chronology of these proceedings or the various relief granted. Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor (the "**Prior Reports**") and all endorsements and orders made by the Court, are available on the Monitor's case website at: www.alvarezandmarsal.com/HudsonsBay.

Stay Extension and Approval of Monitor's Reports Motion

1.4 On March 13, 2026, the Applicants served a motion record returnable March 19, 2026, including the affidavit of Thomas Obersteiner sworn the same date (the "**Obersteiner Affidavit**"), seeking an Order (the "**Stay Extension and Approval of Monitor's Reports Order**"), among other things:

(a) extending the Stay Period (as defined below) to and including June 30, 2026; and

(b) approving the Twelfth Report of the Monitor dated January 9, 2026, the Supplement to the Twelfth Report of the Monitor dated January 14, 2026, the Second Supplement to the Twelfth Report of the Monitor dated January 26, 2026, the Thirteenth Report of the Monitor dated February 9, 2026 (the "**Thirteenth Report**"), the Supplement to the Thirteenth Report of the Monitor dated February 10, 2026 (collectively, the "**Recent Reports**"), and this Fourteenth Report, and the activities of the Monitor set out therein.

Purpose of this Report

1.5 The purpose of this Fourteenth Report is to provide the Court with information and, where applicable, the Monitor's views on:

(a) various case updates, including updates on:

(i) the Costs Endorsement (as defined below);

(ii) the Royal Trust Motion (as defined below);

(iii) further correspondence from Robert Renee Turpin ("**Mr. Turpin**");

(iv) matters involving the Company's pension surplus;

(v) the Art Collection Auction (as defined below); and

(vi) the removal of FF&E and signage from the locations previously leased by the Applicants;

(b) the Stay Extension and Approval of Monitor's Reports Order;

(c) the Applicants' cash flow results relative to the Applicants' cash flow forecast attached as Appendix "I" to the Eleventh Report of the Monitor dated December 8, 2025 (the "**Eleventh Report**");

(d) the Eighth Updated Cash Flow Forecast (as defined below);

(e) the activities of the Monitor; and

(f) the Monitor's conclusions and recommendations in connection with the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Fourteenth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including senior management of, and advisors to, the Applicants (collectively, the "**Information**"). Except as otherwise described in this Fourteenth Report, in respect of the Applicants' cash flow forecast:

(a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor 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 (the "**CAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and

(b) some of the information referred to in this Fourteenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Fourteenth Report was prepared based on the estimates and assumptions of the Applicants. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not

ascertainable, actual results will vary from the projections and even if the assumptions materialize, the variations could be significant.

2.3 This Fourteenth Report should be read in conjunction with the Obersteiner Affidavit. Capitalized terms used and not defined in this Fourteenth Report have the meanings ascribed to them in the Obersteiner Affidavit or the Prior Reports, as applicable.

2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 CASE UPDATES

Costs Endorsement in Respect of Central Walk Approval Motion and FILO Motion[2]

3.1 As discussed in certain of the Prior Reports, on October 24, 2025, the Court issued its decision in respect of the Central Walk Approval Motion and the FILO Motion. Following a further endorsement by the Court on November 3, 2025, the Monitor proposed a schedule for the exchange of written costs submissions, and the Applicants, the Opposing Landlords, the FILO Agent, and Pathlight exchanged costs submissions in accordance therewith. After the final submissions were delivered on December 17, 2025, and following correspondence between the Court office and the Monitor's counsel, the written costs submissions were provided directly to the Court and uploaded to Case Center.

[2] Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Monitor's Eighth Report dated August 20, 2025.

3.2 On March 10, 2026, the Court issued a decision in respect of costs for the Central Walk Approval Motion and the FILO Motion (the "**Costs Endorsement**"). As set out in greater detail therein, the Court decided that:

(a) the Opposing Landlords are entitled to a partial indemnity award of their costs from the Applicants;

(b) the costs claimed by the Opposing Landlords appear to be fair, reasonable, and proportionate and are supported by the costs outlines and bills of costs submitted, and as such, aggregate partial indemnity costs shall be fixed in the amounts claimed; and

(c) the costs award is stayed and is not to be paid until the costs, expenses, claims, and priorities have been established in the CCAA Proceedings, recognizing that the costs may not end up being paid if the Applicants' assets are not sufficient to pay claims that are determined to have priority over the costs awarded to the Opposing Landlords.

3.3 Until the Court determines whether the costs awarded to the Opposing Landlords will be paid, the Monitor intends to reserve the amount awarded when considering distributions that can be made to secured creditors.

3.4 A copy of the Costs Endorsement is attached hereto as **Appendix "A"**.

Royal Trust Motion

3.5 On February 13, 2026, counsel to Royal Trust Corporation of Canada ("**Royal Trust**"), the current trustee of four retirement compensation arrangement trusts for current and former employees of Hudson's Bay (the "**HBC RCAs**"), served a motion record, returnable at a

date to be determined by the Court, in support of a motion for advice and directions from the Court with respect to various matters related to the HBC RCAs (the "**Royal Trust Motion**"). The facts underlying the Royal Trust Motion are set out in the affidavit of Susannah B. Roth sworn February 10, 2026, which was included in Royal Trust's motion record.

3.6 The Royal Trust Motion requests the Court's advice and directions in respect of twelve primary questions, along with several potentially relevant follow-up questions. Royal Trust does not provide a view in respect of these questions in its motion materials.

3.7 The Royal Trust Motion has not yet been scheduled. Since the service of that motion, the Monitor and its counsel have had discussions with the Applicants and their counsel, counsel to Royal Trust, and Employee Representative Counsel (as defined in the Thirteenth Report). The Monitor and these stakeholders are attempting to narrow the issues to be determined by the Court in the Royal Trust Motion before such motion is scheduled. The Monitor will continue to keep the Court updated in this regard.

Further Correspondence from Mr. Turpin[3]

3.8 As discussed in the Thirteenth Report and the supplement thereto, beginning on January 4, 2026, the Monitor and its counsel have received a significant volume of correspondence from Mr. Turpin. As described in greater detail therein, Mr. Turpin, among other things:

[3] Capitalized terms used and not otherwise defined herein have the meanings ascribed in the Thirteenth Report.

(a) made various unsubstantiated assertions, including that he has a proprietary interest in the Charter and various of the Applicants' art and artifacts;

(b) requested significant accommodations from the Monitor, the Applicants, and the Court, including requesting that all proceedings be conducted in writing; and

(c) purported to object to various actions in these CCAA Proceedings, including the sale of the Charter (which had closed before Mr. Turpin first contacted the Monitor), and the motion for the Hardship Programs Order (which was heard by the Court on February 11, 2026).

3.9 As detailed in the Thirteenth Report, the Monitor provided various responses to Mr. Turpin, which included background information on the CCAA Proceedings and the sale of the Charter and a request that he provide evidence substantiating his claims. Mr. Turpin did not provide such evidence, but continued to oppose the Hardship Programs Order and the term sheet that would be approved thereby (the "**Hardship Programs Term Sheet**") – as such, the Monitor noted in the Thirteenth Report that it was not aware of any evidence to substantiate Mr. Turpin's claims, and provided its view that Mr. Turpin had not articulated a legitimate or credible basis to object to the Hardship Programs Order.

3.10 The Hardship Programs Order was ultimately granted by the Court on February 11, 2026. In its written endorsement dated February 13, 2026 issued in connection therewith (the "**February 13 Endorsement**"), the Court, among other things, found that Mr. Turpin's "unsupported objections and concerns certainly should not delay the approval of the [Hardship Programs Order]", and that his "demand for all matters in this complex CCAA

proceeding to be heard entirely in writing is not reasonable and cannot be accommodated". A copy of the February 13 Endorsement is attached hereto as **Appendix "B"**.

3.11 Mr. Turpin has continued to direct correspondence to counsel to the Monitor, counsel to the Applicants, and the Court since the granting of the Hardship Programs Order. In that correspondence, he has reiterated claims to the Charter and certain of the Applicants' other property and provided additional information in connection therewith, and has continued to request that all proceedings in which he is involved be conducted in "plain text/writing".

3.12 Following correspondence with counsel to the Applicants, counsel to the Monitor, and the Court office, on March 9, 2026, Mr. Turpin purported to serve the service list in these CCAA Proceedings with an email that he styled as a notice of motion (such motion, the "**Purported Motion**") for an Order confirming that all proceedings involving Mr. Turpin be conducted in "plain text/writing". Although the service list was not copied, the Monitor and its counsel received the email correspondence by blind copy, and several other individuals have contacted the Monitor's counsel confirming that they received service of same. A copy of Mr. Turpin's email is attached hereto as **Appendix "C"**.

3.13 The Monitor is not aware of whether the Purported Motion was properly filed with the Court, nor is it aware of a date being set for the Purported Motion.

3.14 Shortly following the service of the Applicants' materials in support of the Stay Extension and Approval of Monitor's Reports Order, Mr. Turpin wrote to the service list by email to: (a) object to that hearing proceeding virtually by Zoom; and (b) request the Court's direction in connection therewith. A copy of Mr. Turpin's email is attached hereto as **Appendix "D"**. Given the Court's direction in the February 13 Endorsement, the Monitor

continues to be of the view that it is not reasonable or appropriate for this motion to be heard entirely in writing. The Monitor is also not aware of Mr. Turpin having any specific interest in connection with this motion.

Pension Surplus Matters

3.15 The Monitor, the Company, Employee Representative Counsel, the Company's secured lenders, and certain other stakeholders have continued to consider various issues related to the Company's pension surplus. The Company, the Monitor, and the above stakeholders are of the view that it would be beneficial for this Court to appoint certain representative counsel for various groups of beneficiaries, and are in advanced discussions regarding a framework for such appointment. The Monitor expects that the Company will bring a motion in connection therewith in the near term.

Art Collection Auctions[4]

3.16 As described in the Eleventh Report, the Art Collection Auction Procedures were approved by the Court on September 25, 2025. The Art Auction Process Order authorized the sale of the Art Collection at a series of auctions and the vesting of items sold at the auctions in the purchasers free and clear of all claims and encumbrances. As noted in the Monitor's Ninth Report dated September 22, 2025, the Company identified certain artifacts in the Art Collection that are believed to be of Indigenous origin, potentially of Indigenous origin, or uniquely representative of Indigenous culture. Those items were not included in the Art

[4] Capitalized terms used in this section and not otherwise defined have the meanings ascribed to them in the Thirteenth Report.

Collection Auction. The Monitor understands that these items have been, or are in the process of being, returned to the relevant communities or donated to public institutions.

3.17 As described in the Thirteenth Report, the Live Auction held on November 19, 2025 achieved an aggregate "hammer price"[5] of approximately $4.9 million, and the First Online Auction, which closed on December 4, 2025, achieved an aggregate hammer price of approximately $2.5 million. The sale of the second batch of items in the online auction (the "**Second Online Auction**") closed on January 27, 2026, and achieved an aggregate hammer price of approximately $445,000.

3.18 The third online auction (the "**Third Online Auction**") was held during the period February 10 to 19, 2026, and achieved an aggregate hammer price of approximately $390,000.

3.19 As of the date of this Report, Heffel, as auctioneer, has distributed cumulative proceeds of $8.9 million to the Monitor in respect of the auctions noted above. The distributed amount reflects the aggregate hammer prices inclusive of HST and net of Heffel's commissions and fees.

FF&E & Signage Removal

3.20 As of the date of this Report, FF&E removal and demolition activities have been completed at all but one location. The remaining location is leased by the JV Entities[6], and the

[5] Hammer price is exclusive of sales taxes and fees paid to Heffel, as auctioneer.

[6] RioCan-HBC JV, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCanHBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.

Company is coordinating the removal of FF&E at that location with FTI Consulting Canada Inc., the Court-appointed receiver of the JV Entities (the "**Receiver**"). The FF&E removal at this location is expected to be completed by the end of March 2026.

3.21 As of the date of this Report, the Monitor understands that signage removal has been completed at all but four stores. Of these remaining four locations: (a) removal work is being completed by the respective landlord for one of the stores; and (b) the Company is coordinating the removal work at the other three stores, which is dependent upon receipt of municipal permits prior to advancing the work.

4.0 STAY EXTENSION & APPROVAL OF MONITOR'S REPORTS

4.1 The Initial Order granted a stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties, and third-party tenants of commercial shopping centres or other properties where premises operated by Hudson's Bay were located (the "**Co-Tenant Stay**") until and including March 17, 2025 (the "**Stay Period**"). At the Comeback Hearing, the Court extended the Stay Period (excluding the Co-Tenant Stay) until May 15, 2025. The Stay Period was subsequently extended to July 31, 2025, by Order dated May 13, 2025.

4.2 The Court subsequently granted an Order on June 3, 2025 that, among other things: (a) terminated the stay of proceedings and the protections and authorizations provided for by the ARIO in favour of the JV Entities concurrently with a separate Order that appointed the Receiver; and (b) terminated the CCAA Proceedings with respect to HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc. concurrently with the appointment of the Receiver over the JV Entities.

4.3 The Stay Period has subsequently been extended from time-to-time by the Court, most recently to March 31, 2026, pursuant to an Order granted on December 11, 2025 (the "**December 11 Order**"). Given the Orders granted on June 3, 2025, the subsequent stay extensions have not included the JV Entities, and the JV Entities no longer have the benefit of the CCAA stay.

4.4 The Applicants' activities since the granting of the December 11 Order are detailed in the Obersteiner Affidavit and are not repeated herein.

4.5 The Monitor supports the Applicants' request to extend the Stay Period to and including June 30, 2026, for the following reasons:

(a) the Applicants have acted, and continue to act, in good faith and with due diligence to advance the CCAA Proceedings;

(b) an extension of the Stay Period is required to provide the Applicants with the time necessary to attend to and complete various matters, including:

(i) dealing with pension surplus matters;

(ii) scheduling and hearing the Royal Trust Motion;

(iii) continuing the Art Collection Auctions;

(iv) completing the implementation of the programs approved by the Hardship Programs Order (to the extent the necessary financial conditions are met);

(v) addressing remaining applicable FF&E and signage matters;

(vi) attending to various employee matters, including completing WEPP matters; and

(vii) completing further distributions;

(c) as shown in the Eighth Updated Cash Flow Forecast, the Applicants are projected to have sufficient liquidity to operate through the proposed extension of the Stay Period; and

(d) the Monitor is not aware of any party that would be materially prejudiced by the proposed extension of the Stay Period.

4.6 The Applicants also seek approval of this Report and the Recent Reports and the activities of the Monitor described therein. The Monitor's Prior Reports (with the exception of the Recent Reports) and related activities have been approved from time-to-time in these proceedings, most recently pursuant to the December 11 Order.

4.7 The Monitor's activities described herein and in the Recent Reports were carried out in good faith, prudently and diligently in accordance with its duties under the CCAA and as prescribed by the Orders granted by the Court in the CCAA Proceedings. Copies of the Recent Reports (without schedules or appendices) are attached hereto as **Appendices "E" – "I"**.

5.0 CASH FLOW RESULTS RELATIVE TO FORECAST[7]

5.1 Actual receipts and disbursements for the 14-week period from November 29, 2025 to March 6, 2026 (the "**Reporting Period**"), as compared to the cash flow forecast attached as **Appendix "I"** to the Eleventh Report (the "**Seventh Updated Cash Flow Forecast**"), are summarized in the following table:

Cash Flow Variance Report			**$000's**
	Actual	**Budget**	**Variance**
Receipts	**41,197**	**38,276**	**2,921**
Disbursements			
Payroll & Benefits	(1,572)	(1,542)	(29)
Occupancy Costs	(41)	(606)	564
Wind-down Expenses	(1,720)	(2,405)	685
Store Closure & Exit Costs	(4,915)	(6,302)	1,386
Consultant Fees & Expenses	(268)	(280)	12
Professional Fees	(5,345)	(6,974)	1,629
Shared Service Payments	(689)	(2,623)	1,935
Interest Payments & Fees	(2,634)	(2,775)	141
Total Disbursements	**(17,184)**	**(26,602)**	**9,417**
Net Cash Flow	**24,013**	**11,674**	**12,338**
Opening Cash Balance	16,533	16,533	--
Net Cash Flow	24,013	11,674	12,338
FX Adjustment	384	--	384
FILO Credit Facility Paydown	(18,000)	(18,000)	--
Closing Cash Balance	**22,930**	**10,208**	**12,722**

5.2 Pursuant to paragraph 22(c) of this Court's endorsement dated March 29, 2025, the Monitor is required to advise the Court if, at any time, actual results vary as compared to the applicable Cash Flow Forecast by 15% or more. Since the filing of the Seventh Updated

[7] Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the First Report of the Monitor dated March 16, 2025.

Cash Flow Forecast, the Monitor notes that, on a net cash flow basis, actual cash flow results have not negatively varied from the applicable Cash Flow Forecast.

5.3 Explanations for the larger variances during the Reporting Period are as follows:

(a) total receipts of approximately $41.2 million are comprised of: (i) gross proceeds of approximately $20.3 million from the Charter sale transaction; (ii) gross receipts of approximately $8.5 million from the Live Auction, First Online Auction, and Second Online Auction[8]; (iii) receipts of approximately $9.8 million related to sales tax refunds received from the Canada Revenue Agency for the periods of June and July 2025; (iv) receipts of approximately $1.7 million in connection with a payout from a successful class action lawsuit that was commenced prior to the CCAA Proceedings; and (v) approximately $850,000 of deposit interest earned on the Company's cash balances and other miscellaneous receipts;

(b) the cumulative positive receipts variance of approximately $2.9 million is permanent and is primarily a result of: (i) higher than anticipated gross proceeds from the First Online Auction of approximately $1.6 million; (ii) gross proceeds from the Second Online Auction of $418,000, which was not included in the forecast; and (iii) other smaller positive variances and miscellaneous receipts;

[8] Cumulative auction proceeds of approximately $8.5 million (inclusive of HST and net of Heffel's commissions and fees) from the Live Auction, the First Online Auction, and the Second Online Auction are shown as having been collected and are included in the Company's Closing Cash Balance. However, in accordance with paragraph 11 of the Art Auction Process Order, cumulative net proceeds of approximately $7.6 million from the Live Auction, the First Online Auction, and the Second Online Auction are being held in trust by the Monitor pending further order of the Court or distribution to the FILO Agent. The Monitor has transferred the HST component of the proceeds from the Live Auction, the First Online Auction and the Second Online Auction (approximately $975,000 combined) to the Company for remittance to the CRA (as applicable). Proceeds from the Third Live Auction were received during the week ended March 14, 2026, and are included in the Eighth Updated Cash Flow Forecast.

(c) the positive variance in occupancy costs of approximately $564,000 is comprised of: (i) a positive timing variance of approximately $314,000, which is expected to reverse in future weeks as property tax and other occupancy cost reconciliation invoices for 2025 are received and payments are processed; and (ii) a positive permanent variance of approximately $250,000 as provisions for certain estimated costs did not materialize;

(d) the positive variance in wind-down expenses of approximately $685,000 is comprised of: (i) a positive timing variance of approximately $325,000 that is expected to reverse in future weeks; and (ii) a positive permanent variance of approximately $359,000;

(e) the positive variance in store closure and exit costs of approximately $1.4 million is comprised of: (i) positive timing variances of approximately $825,000 related to signage removal and FF&E removal costs which are expected to reverse as the remaining work is completed and invoiced; and (ii) a permanent positive variance of approximately $533,000 related to FF&E and signage removal costs that were lower than forecast;

(f) the positive variance in professional fees of approximately $1.6 million is a permanent positive variance reflecting professional fees incurred being lower than forecast; and

(g) the positive variance in shared service payments of approximately $1.9 million is a timing variance that is expected to reverse in future weeks as amounts owed to Saks Global are reconciled and paid. The Monitor notes that approximately $1.3 million

related to the June 2025 period remains outstanding pending a resolution regarding the allocation and settlement of certain third-party shared contracts. The remaining amounts owing of approximately $600,000 relate to the January 2026 and February 2026 periods and are expected to be paid in the normal course.

5.4 As directed in the October 24 Decision, and in accordance with the Stay Extension and Distribution Order dated May 13, 2025, which authorized distributions to be made to the FILO Agent in respect of amounts owing under the FILO Credit Facility (excluding the Make-Whole) (each as defined in the Third Report of the Monitor dated May 9, 2025), the Company made a distribution of $18 million to the FILO Agent on December 23, 2025.

5.5 The outstanding principal balance owing to the FILO Lenders under the FILO Credit Facility, after accounting for the above distribution, and excluding the Make-Whole, is approximately $35.1 million.

5.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately $12.3 million. The closing cash balance as of March 6, 2026, was approximately $22.9 million, as compared to the projected cash balance of $10.2 million.

5.7 As previously reported, the Monitor is holding the remaining proceeds from the closing of the Affiliate Lease Assignment Transaction (as defined in the Sixth Report of the Monitor dated July 14, 2025) of $4 million in trust, which was received on June 26, 2025. These funds are incremental to the Company’s closing cash balance as of March 6, 2026.

6.0 EIGHTH UPDATED CASH FLOW FORECAST

6.1 Hudson's Bay, with the assistance of the Monitor, has prepared an updated and extended cash flow forecast (the "**Eighth Updated Cash Flow Forecast**") for the 17-week period from March 7 to July 3, 2026 (the "**Cash Flow Period**"). A copy of the Eighth Updated Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**") is attached hereto as **Appendix "J"**.

6.2 A summary of the Eighth Updated Cash Flow Forecast is provided in the table below:

Eighth Updated Cash Flow Forecast	**$000's**
	17-Week Period
Receipts	**4,863**
Disbursements	
Payroll & Benefits	(1,566)
Occupancy Costs	(317)
Wind-down Expenses	(932)
Store Closure & Exit Costs	(825)
Sales Tax Remittances	(43)
Professional Fees	(5,900)
Shared Service Payments	(2,487)
Interest Payments & Fees	(1,793)
Total Disbursements	**(13,863)**
Net Cash Flow	**(9,000)**
Opening Cash Balance	22,930
Net Cash Flow	(9,000)
FILO Credit Facility Paydown	(3,688)
Closing Cash Balance	**10,242**

6.3 The Monitor notes the following with respect to the Eighth Updated Cash Flow Forecast:

(a) receipts include: (i) approximately $1.7 million related to the Company Reserve Fund (as defined in the Hardship Programs Term Sheet) held by Manulife, to be released

to the Monitor on behalf of the Applicants pursuant to the Hardship Programs Term Sheet (which funds were received during the week ended March 13, 2026); (ii) approximately $1.0 million related to the reimbursement of post-filing LTD payments up to February 15, 2026, to be released to the Monitor on behalf of the Applicants pursuant to the Hardship Programs Term Sheet; (iii) approximately $1.0 million of post-filing sales tax refunds from the Canada Revenue Agency related to prior periods; (iv) in accordance with the Hardship Programs Term Sheet, approximately $750,000 to be received from the Trust in order to fund the monthly Interim LTD Payments (each as defined in the Hardship Programs Term Sheet) which are included as disbursements on the Payroll & Benefits line (as further noted below); and (v) approximately $371,000 of auction proceeds, net of Heffel's commissions and fees, from the Third Online Auction;

(b) payroll and benefits include: (i) salaries, wages, remittances, and payroll taxes for the remaining corporate employees; (ii) independent contractor costs for personnel assisting with the wind-down of the estate, (iii) the purchase of the Woodwards Replacement Policy (as defined in the Hardship Programs Term Sheet); and (iv) forecast monthly Interim LTD Payments noted above, which are reimbursed pursuant to the Hardship Programs Term Sheet (as described above);

(c) occupancy costs represent a reserve for potential reconciliations relating to third-party rents, property taxes and common area maintenance charges for 2025, together with payments for the Company's temporary head office through April 2026;

(d) wind-down expenses relate to post-filing accruals and corporate wind-down costs. These expenses include, among other things, records retention, storage fees and certain IT related costs;

(e) store closure and exit costs represent the estimated costs to remove the remaining FF&E and interior and exterior store signage of approximately $500,000 and $325,000, respectively;

(f) shared services payments consist of: (i) cost reimbursements for limited Saks Global employees that provide support services to Hudson's Bay; (ii) an estimate of Hudson's Bay's share of third-party IT costs and related support services necessary to administer the remaining aspects of the wind-down; and (iii) reimbursement for shared service costs incurred during June 2025, January 2026 and February 2026, which remain subject to ongoing reconciliation between the Company (with the assistance of the Monitor) and Saks Global. The Monitor notes that approximately $1.1 million related to the June 2025 period remains outstanding, pending resolution of the allocation and settlement of certain third-party shared contracts, including the determination of whether such contracts will be assigned to Saks Global or disclaimed;

(g) payment of post-filing interest and fees to the FILO Agent; and

(h) payments to the FILO Agent of approximately $3.7 million as a partial principal repayment of amounts owing under the FILO Credit Facility.

6.4 Based on the Eighth Updated Cash Flow Forecast, the Monitor believes that the Applicants will have sufficient liquidity throughout the Cash Flow Period.

6.5 Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects that: (a) the Cash Flow Assumptions are not consistent with the purpose of the Eighth Updated Cash Flow Forecast; (b) as at the date of this Fourteenth Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Eighth Updated Cash Flow Forecast, given the Cash Flow Assumptions; or (c) the Eighth Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

7.0 ACTIVITIES OF THE MONITOR

7.1 Since the date of the Thirteenth Report, the primary activities of the Monitor and its counsel, Bennett Jones LLP, have included the following:

(a) continuing to assist in discussions and negotiations with key service providers to facilitate ongoing service and/or termination of services, and to reconcile and settle outstanding post-filing obligations;

(b) monitoring cash receipts and disbursements and coordinating with management in preparing weekly cash flow variance reporting; communicating with the FILO Agent and its financial advisor in respect of ongoing variance reporting, and responding to related information requests and questions; and communicating with Pathlight in respect of ongoing variance reporting, and responding to related information requests and questions;

(c) assisting the Applicants in preparing the Eighth Updated Cash Flow Forecast, including consideration of an estimated reserve to fund the remaining costs of the wind-down and CCAA Proceedings;

(d) working with the Applicants and Saks Global on shared services cost allocations, determination of whether remaining third-party shared contracts will be assigned to Saks Global or disclaimed, coordinating the level of support necessary to advance workstreams anticipated to generate future recoveries and properly administer the remaining aspects of the wind-down, and reviewing and analyzing related supporting information and documentation;

(e) participating in discussions and meetings with the auction services provider and other parties in respect of the Art Collection;

(f) monitoring the concurrent receivership proceeding in respect of the JV Entities and coordinating with the Receiver of the JV Entities on various matters;

(g) monitoring the Saks Global Chapter 11 Proceedings for issues that may be relevant to the CCAA Proceedings;

(h) assisting the Applicants in coordinating the removal of FF&E and store signage;

(i) working with the Applicants and Employee Representative Counsel to advance employee issues arising during the CCAA Proceedings and liaising with the Applicants, Employee Representative Counsel and Service Canada in relation to the WEPP process;

(j) working with the Applicants and Employee Representative Counsel to administer the Hardship Programs Term Sheet;

(k) working with the Applicants, the secured lenders, their counsel, Employee Representative Counsel, and other stakeholders to develop a process to address the pension surplus;

(l) working with the Applicants and their counsel to develop a process for document retention and destruction;

(m) responding to enquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number or email account established for the case by the Monitor;

(n) posting non-confidential materials filed with the Court to the Case Website; and

(o) with the assistance of Bennett Jones, preparing the Supplement to the Thirteenth Report and this Fourteenth Report.

8.0 CONCLUSIONS AND RECOMMENDATIONS

8.1 For the reasons set out in this Fourteenth Report, the Monitor respectfully recommends that this Court grant the Stay Extension and Approval of Monitor's Reports Order.

All of which is respectfully submitted to the Court this 16th day of March, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Senior Vice-President

SCHEDULE A[9]

OTHER APPLICANTS

HBC Canada Parent Holdings Inc.

HBC Canada Parent Holdings 2 Inc.

HBC Bay Holdings I Inc.

HBC Bay Holdings II ULC

The Bay Holdings ULC

HBC Centerpoint GP Inc.

HBC YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

247598 Ontario Inc.

NON-APPLICANT STAY PARTIES

HBC Holdings LP

RioCan-HBC General Partner Inc.

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC Centerpoint LP

[9] This schedule lists the Applicants and Non-Applicant Stay Parties as of the Initial Order. As noted within the Ninth Report, the CCAA Proceedings were terminated in respect of two of the Applicants, and the stay of proceedings no longer applies in respect of several of the Non-Applicant Stay Parties.

The Bay Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

SCHEDULE B

Name Changes for Hudson's Bay Canada Entities

Former Name	New Name	CCAA Status	Effective Date of Name Change
HBC Centrepoint GP Inc.	2745263 Ontario Inc.	Applicant	August 12, 2025
HBC Holdings GP Inc.	2745270 Ontario Inc.	Applicant	August 12, 2025
Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI	1242939 B.C. Unlimited Liability Company	Applicant	August 12, 2025
HBC Canada Parent Holdings Inc.	1241423 B.C. Ltd.	Applicant	August 12, 2025
HBC Canada Parent Holdings 2 Inc.	1330096 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings I Inc.	1330094 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings II ULC	1330092 B.C. Unlimited Liability Company	Applicant	August 12, 2025
The Bay Holdings ULC	1329608 B.C. Unlimited Liability Company	Applicant	August 12, 2025
2472596 Ontario Inc.	--	Applicant	--
2472598 Ontario Inc.	--	Applicant	--
Snospmis Limited	--	Applicant	--

APPENDIX A
Costs Endorsement dated March 10, 2026

See attached.

CITATION: In Re Hudson's Bay Company, 2026 ONSC 1331
COURT FILE NO.: CV-25-00738613-00CL
DATE: 20260310

SUPERIOR COURT OF JUSTICE – ONTARIO (COMMERCIAL LIST)

RE:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

IN WRITING: KIMMEL J.

COUNSEL: *Ashley Taylor, Elizabeth Pillon, Maria Konyukhova, Philip Yang and Brittney Ketwaroo* for the Applicants

Graham Phoenix and Jayson Thomas for Ruby Liu Commercial Investment Corp.

Jeremy Dacks, Marc Wasserman and David Rosenblat for Pathlight Capital LP

Matthew Lerner, Brian Kolenda, Christopher Yung and Julien Sicco for ReStore Capital LLC, the FILO Agent

Jeremy Opolsky, David Bish, Alec Angle and Alina Butt for The Cadillac Fairview Corporation

Matthew Gottlieb, Andrew Winton and Annecy Pang for KingSett Capital Inc.

D. J. Miller and Andrew Nesbitt for Oxford Properties Group

James Bunting, Anna White and Alycia Noë for Ivanhoe Cambridge Inc.

Brendan Jones and John Wolf for QuadReal Property Group and Primaris Management Inc.

Angela Hou and Emily Fan for TELUS Health, HBC Pension Administrator

Linda Galessiere for Ivanhoe Cambridge II Inc. and Morguard Investments Limited, both as Agents for certain Landlords, and Westcliff Management Ltd.

Sean Zweig, Thomas Gray and Preet Gill for Alvarez & Marsal Canada Inc., the Court-appointed Monitor

COSTS ENDORSEMENT: CENTRAL WALK APA AND LEASE ASSIGNMENTS

The Lease Assignment Decision

[1] On October 24, 2025, Osborne J. (as he then was) released a decision declining to approve the assignment by the applicants of 25 Hudson's Bay Company ("HBC") Department Store leases for locations across Canada to a new tenant: see *In Re Hudson's Bay Company*, 2025 ONSC 5998 (the "Lease Assignment Decision").

[2] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the Lease Assignment Decision.

[3] In very general terms the context and background that led to the contested Lease Assignment Decision were as follows:

a. HBC is insolvent and owes its creditors hundreds of millions of dollars. At present, it would appear unlikely that those creditors will be repaid in full.

b. HBC entered into the Central Walk APA on May 23, 2025 that contemplated the assignment (subject to court approval) of up to 25 Leases in Ontario, Alberta, and British Columbia to the Purchaser (or a permitted assignee thereof, which would be a corporation controlled by Ms. Liu) to operate a national department store chain under the "Ruby Liu" banner. HBC brought a motion seeking the court's approval of the Central Walk APA and the contemplated assignment of the Leases.

c. One secured creditor who, in the waterfall of recoveries, would likely have benefitted most from any realization of value from these leases (Pathlight Capital LP) supported the proposed assignment.

d. One of HBC's senior secured creditors, ReStore Capital, LLC, in its capacity as FILO Agent and on behalf of the FILO Lenders, opposed the proposed assignment and brought its own (amended) motion for relief, part of which was described in the Lease Assignment Decision to be "almost completely inconsistent with the relief sought on HBC's motion".

e. Aside from the one landlord that was affiliated with the Purchaser, all of HBC's other landlords that were the counterparties to the contested assignment of Leases opposed HBC's motion (the "Opposing Landlords", defined below).

f. One of those Opposing Landlords, Ivanhoe Cambridge ("IC"), also opposed the additional relief sought by HBC (sought to satisfy one of the conditions of the Central Walk APA) that would, if the court approved the assignment of certain of its leases (the "IC Leases"), declare unenforceable certain provisions of those IC Leases with the practical effect of amending the terms of these IC Leases by deleting those clauses.

[4] The Lease Assignment Decision required the court to consider s. 11.3(1) of the CCAA. That section provides that, on application by a debtor company and on notice to every party to an agreement and the Monitor, the court may make an order assigning the rights and obligations of the company under an agreement to any person who is specified by the court and agrees to the assignment.

[5] In the Lease Assignment Decision the court found that:

a. The mandatory technical requirements under s. 11.3 had been met: The motion was brought on notice to all contractual counterparties and the Monitor; and all monetary defaults, other than those arising by reason only of the company's insolvency, the commencement of these proceedings or the company's failure to perform, and non-monetary obligations, would be remedied under the terms of the Central Walk APA, if approved.

b. While the Monitor's approval is not required for the court to make an assignment under s. 11.3(3)(a), the Monitor's approval of the proposed assignment is a relevant consideration. Here, the Monitor declined to approve the proposed assignment.

c. The Monitor had expressed numerous concerns about the ability of the Purchaser to satisfy the non-monetary obligations under the Leases to be assigned. These concerns were elaborated upon and supported by two expert reports filed by the Objecting Landlords.

d. The Monitor's concerns were well founded, and the court noted other concerns as well. Specifically, the court was also concerned that the financial obligations under the assigned Leases would be very material and would need to be performed continuously for decades; however, the Purchaser itself was effectively a shell company incorporated for the purposes of the proposed Transaction with no assets, no history of operations or earnings and, on its own, was unable to meet a reasonableness standard in demonstrating an ability to meet the financial obligations under the subject Leases.

e. The $375 million equity commitment from Ms. Liu was made exclusively to the Purchaser, another entity controlled by Ms. Liu, and was not enforceable by any of the contractual counterparties.

f. Section 11.3(3)(b) of the CCAA requires consideration of whether the assignee would be able to perform the obligations under the Leases. In considering that section, the court concluded that the Applicants and the Purchaser fell well short of establishing, on any reasonableness standard, the availability of funds to back up the equity commitment and the one-year rent guarantee, based on the identified operational concerns alone.

g. In terms of the appropriateness of the assignment to be considered under s. 11.3(3)(c), in addition to the overlapping considerations with those under s. 11.3(3)(b), the court also considered that the Leases were not being assigned as part of a broader acquisition of assets or of a business, and the proposed assignments

were not part of a broader transaction that would be affected by the decision to not approve them. The proposed Lease assignments were not being sought in pursuit of a going concern transaction to maintain and continue an operating business.

h. Rather, the proposed assignments were proposed simply to pay a secured creditor. As the court noted, at paras. 131 and 133 of the Lease Assignment Decision:

> [131] Put simply, the reality here is that the net proceeds of the Transaction, if approved, would be paid exclusively to some combination of two secured creditor groups: the FILO Agent and Pathlight. As fully set out in the Monitor's Reports, the FILO Agent is the first ranking secured creditor with respect to most of the assets of HBC. However, if ironically, Pathlight has first ranking security on a majority of the 25 Leases proposed to be assigned as part of the Transaction.
>
> [133] For the purposes of this motion, I observe only the simple yet indisputable fact that the net proceeds of the Transaction, if approved, would be used to pay a secured creditor. Accordingly, in the absence of any prospect of a going concern outcome for HBC, the analysis boils down, in practical terms, to the question of which stakeholder group's interests ought to be prioritized: one of the secured creditors, or the Opposing Landlords.

[6] The court concluded, at para. 142 of the Lease Assignment Decision:

> [142] Considering all of the circumstances of this unique case, granting the relief sought would, in my view, represent an extraordinary exercise of the discretion of the court to affect rights of private parties for almost a century, pursuant to what is already an extraordinary power under s. 11.3 of the *CCAA*.

[7] The court further concluded that the two provisions of the IC Leases (ss. 3.05 and 3.05(A)) that the Applicants and the Purchaser asked to be declared void and unenforceable as *ipso facto* clauses because they violate the common law anti-deprivation rule and s. 34 of the *CCAA*, were not, in fact, *ipso facto* clauses. If the court had approved the proposed Lease assignments, it would have declined to declare these clauses to be void and unenforceable. The anti-deprivation rule and s. 34 of the *CCAA* are triggered only when existing rights are taken away because of an insolvency, which was found not to be the effect of the impugned IC Lease provisions. Rather, these provisions addressed circumstances that may or may not arise in the future that could have consequences for the continuation of the assigned Leases on their existing or original terms.

The Requests for Costs Arising Out of the Lease Assignment Decision and Summary of Outcome

[8] Following the release of the Lease Assignment Decision, the participating parties exchanged written cost submissions that were sent to the court, as follows:

a. The "Opposing Landlords" (The Cadillac Fairview Corporation Limited, Oxford Properties Group, IC, Westcliff Management Ltd., Morguard Investments Limited, Primaris Management Inc., QuadReal Property Group, and KingSett Capital Inc.) provided Cost Submissions dated November 14, 2025 seeking costs in the aggregate amount of approximately $2.4 million[1] on a partial indemnity scale.

b. IC Cost Submissions Re: *Ipso Facto* Relief dated November 14, 2025 seeking partial indemnity costs of $144,908.09.

c. The Applicants' Cost Submissions dated November 28, 2025 opposing the Landlords' request for costs.

d. The FILO Agent's Cost Submissions dated December 5, 2025 opposing the Landlords' request for it to fund the payment of any costs awarded against the Applicants and requesting, as alternative relief, that if any costs award is made in favour of the Opposing Landlords that those costs be ordered payable by Pathlight. Specifically, that: "If the Court is inclined to grant a right to the Landlords to priority payment of costs, those costs should be borne not by the Applicants or the FILO Lenders, but instead by the only parties who stood to gain economically from the Central Walk Transaction: the Pathlight Lenders".

e. Pathlight Capital LP's Cost Submissions dated December 5, 2025 supporting the Applicants' opposition to the requests for costs and opposing the request made by the FILO Agent for "alternative relief" against Pathlight.

f. Opposing Landlords' Joint Reply Cost Submissions dated December 12, 2025.

[9] Osborne J.A. was appointed to the Court of Appeal for Ontario on December 16, 2025. I have assumed responsibility for case managing this CCAA proceeding and related proceedings involving HBC. The parties asked that the costs be determined by the court on the basis of their written cost submissions. I have read and considered the Lease Assignment Decision and the parties' written cost submissions and, taking all of that into consideration and for the reasons generally outlined in this endorsement, I have decided that:

a. The Opposing Landlords, as the successful party on this motion, are entitled to a partial indemnity award of their costs from the Applicants.

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[1] The aggregate amount claimed in the Opposing Landlords' Cost Submissions is $2,386,399.29, comprised of partial indemnity fees stated to add up to $1,866,965.59 plus the expert costs of $512,096.48, shared between the Opposing Landlords, and minor disbursements for printing, translation, agency costs, etc. The court has not been able to entirely reconcile this total amount against the Costs Outlines/Bills of Costs provided but the difference is not material. The amount awarded is intended to correspond with the certified partial indemnity fees, plus disbursements and applicable taxes claimed by the Opposing Landlords in their respective Costs Outlines/Bills of Cost.

b. The amounts of costs claimed by the Opposing Landlords appear to be fair, reasonable, and proportionate and are supported by the Costs Outlines and Bills of Costs submitted. I fix their aggregate partial indemnity costs in the amounts they have claimed (inclusive of partial indemnity fees, plus both expert and non-expert disbursements and applicable taxes).

c. This costs award is stayed and shall not be paid until the costs, expenses, claims, and priorities have been established in this proceeding, recognizing that the costs may not end up being paid if the assets are not sufficient to pay claims that are determined to have priority over the costs. All of that is left to another day to be determined.

Principles Governing Costs in CCAA Proceedings

[10] Costs are not typically sought under the CCAA because, as the court explained in *YG Limited Partnership and YSL Residences (Re)*, 2021 ONSC 5478, 93 C.B.R. (6th) 154, at para. 9, a restructuring is often not a "classic adversarial civil proceeding", and the CCAA is intended to provide a "forum for stakeholder views to be brought forward, considered, and taken into account".

[11] However, the court has discretion to award costs in appropriate CCAA cases. CCAA Applicants are not immune from costs awards. There is no general principle that costs should not be awarded in CCAA proceedings, and there are examples of cases in which the normal rule that costs follow the event has been applied. Costs have been ordered payable out of the debtors' estate either directly by the applicants or as a result of an award made against the Monitor: see, for example, *Urbancorp Toronto Management Inc. (Re)*, 2019 ONCA 757, 74 C.B.R. (6th) 23, at paras. 80, 82; *Silver Streams Homes Inc. (Re)*, 2017 ONSC 314, at paras. 13-21; *Return On Innovation Capital Ltd. v. Gandi Innovations Ltd.*, 2011 ONSC 7465, 88 C.B.R. (5th) 320, at paras. 5-7, 14-15; *Re Calpine Canada Energy Ltd.*, 2008 ABQB 537, 46 C.B.R. (5th) 243, at para. 1; and *Jackpine Forest Products Ltd., Re*, 2004 BCSC 20, 27 B.C.L.R. (4th) 332, at para. 35.

[12] Costs awards are discretionary under s. 131 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43. Costs are typically considered in three stages: entitlement, scale, and quantum. There is no reason to deviate from that approach in this case. This case raises the additional question of who should pay the costs, if any are awarded, and when they should be paid.

Entitlement to Costs

[13] The court in *YG* recognized that, while not the norm, there are restructuring proceedings in which a classic adversarial dispute can arise between two competing creditor groups, and in such circumstances there is a recognized discretion in the court to award costs as between the parties with the economic interests in the outcome. Here, the court recognized the competing stakeholder groups with an economic interest in the Lease Assignment Decision to be the Opposing Landlords on the one hand and the secured creditors on the other.

[14] As the court observed (at para. 133 of the Lease Assignment Reasons): "[T]he analysis boils down, in practical terms, to the question of which stakeholder group's interests ought to be prioritized: one of the secured creditors, or the Opposing Landlords." The court explained, at para. 6 of the Lease Assignment Decision, that the fundamental question to be considered required the

court "to weigh legitimate but directly competing interests of stakeholders or groups of stakeholders, neither of which caused the present situation. Should a party to a contract that it entered into with an insolvent company be compelled to continue that contractual relationship with a new party in order to maximize recoveries for creditors of the insolvent company?"

[15] In that sense, the dispute about the approval of the assignment of the Leases was a "classic adversarial civil proceeding". It went beyond the usual "forum for stakeholder views to be brought forward"—that is protected by the "practice in our Commercial Court of not awarding costs in restructuring matters": *YG*, at paras. 7, 9.

[16] The interests ultimately lined up as the Applicants supported by Pathlight against the Opposing Landlords. The FILO Agent opposed the relief sought by the Applicants and sought specific relief against Pathlight. That introduces a slight complication into the alignment of adversarial stakeholder interests since the two secured creditors were not on the same side.

[17] Success is considered holistically. In this case, there is no doubt that the Opposing Landlords were the successful parties in the Lease Assignment Decision. In the adversarial context, the normal rule is that costs follow the event, with the "successful party" being entitled to some award of costs from the "losing party".

[18] The Opposing Landlords had a lot at stake, faced with the prospect of having their long-term leases with HBC (or its affiliates) assigned to a third party with whom they had no prior dealings. The Opposing Landlords did not consider these proposed Lease assignments to be beneficial to them, even if it meant they would continue to receive rent for at least the short term (and maybe longer if the new tenant proved successful), when considered against the alternative of the Leases eventually being disclaimed.

[19] It was suggested by Pathlight that the Opposing Landlords should not be awarded any costs of this motion because "[a]n award of <u>any</u> costs to the Objecting Landlords, let alone the very large award that is sought, would set a precedent that would deter debtors from accessing the CCAA's flexible remedies. It would have a chilling effect on debtors seeking to pursue creative solutions with a view to maximizing value for their stakeholders".

[20] The Applicants made similar arguments, pointing out that they were pursuing the potential of $50 million in additional recoveries for creditors in what the court described as an "unprecedented" transaction in its sheer scale and complexity, through relief that was described as "unique in a number of respects".

[21] The court has been cautious about awarding costs against a debtor that was unsuccessful in pursuing a step in the restructuring process with a view to maximizing value for stakeholders: see e.g., *Edward Collins Contracting Limited (Re)*, 2024 NLSC 144, at paras. 17, 20; *Calpine,* at para. 1; *YG,* at paras. 9-10. But the issue here is for whose benefit was this step really being pursued.

[22] The "losing party" here was the Applicants (unsuccessful moving parties). The Central Walk Transaction and associated approval of lease assignments turned out to be a misguided attempt by the Applicants to recover some value from the long-term HBC Leases in many prime

shopping centers in Canada, for the benefit of some HBC secured creditors, and in this case, potentially improving the position of one of the secured creditors (Pathlight).

[23] I find the Opposing Landlords to be entitled to some costs as the successful party on this motion. Awarding costs to the Opposing Landlords in this case is not for the purpose of punishing the debtors or their secured creditors, but instead to recognize the intended objective of partial indemnity of the Opposing Landlords for the Applicants' failed attempt to avail themselves of the CCAA tools. Awarding costs encourages parties in future cases to be thoughtful about litigation strategies, to embrace and fully explore alternatives to litigation, and to make concerted efforts to resolve disputes consensually via settlement. The fact that the amount requested is unprecedented is not a reason to decline to award costs of this magnitude in an appropriate case, as this is

[24] I do agree, however, that the Opposing Landlords should not be paid their costs until the costs and expenses and priorities are sorted out at the end of the CCAA proceeding, in keeping with the logic and rationale of the court's determination in the Lease Assignment Decision not to grant the remainder of the FILO Agent's motion, for the reasons discussed in more detail in the next section of this endorsement. This deferral of payment of costs also recognizes that ordering the "losing party" (the Applicants) to pay the Opposing Landlord's costs now could create in inequity or unfairness to the FILO Lenders who are secured creditors.

Who Should Pay the Opposing Landlords' Costs

[25] Even though the FILO Lenders opposed the Applicants' motion and themselves brought a motion seeking the opposite relief, the Opposing Landlords are still asking that the FILO Lenders be ordered to pay any costs award directly to the Opposing Landlords, or to have it paid by the Applicants as a priority post-filing claim (with the result that it would still be funded, albeit indirectly, by the FILO Lenders through the erosion of their collateral in the HBC estate).

[26] On the first point, I do not agree that a costs award should be made directly against the FILO Lenders to pay the Opposing Landlords' costs now. The FILO Lenders were not the "losers" in the adversarial dispute with the Opposing Landlords.

[27] Furthermore, the FILO Lenders have already been compelled to fund the Applicants' pursuit of the Central Walk Transaction even though they (a) tried to prevent it from proceeding, (b) tried to expedite the hearing, and (c) ultimately opposed it. It is noted that the Applicants' refusal to settle (i.e., drop their motion and abandon the Central Walk Transaction) has already cost the estate approximately $11 million in rent, common area maintenance, property taxes, and utilities paid to the Opposing Landlords pending the outcome of the Lease Assignment Motion, not including additional costs to remove FF&E and the significant professional fees to pursue the assignment motion, as well as the forfeiture of the Purchaser's deposit.

[28] Now, despite this, the Opposing Landlords seek to have the FILO Lenders further fund an adverse costs award against the Applicants.

[29] The Opposing Landlords alternative request for their costs to be paid now as a priority post-filing claim out of the HBC estate is also problematic from the perspective of overall fairness and reasonableness, even if it might be a theoretical option available to the court. Since I do not consider that to be a fair or reasonable outcome in this case, I do not need to decide whether, as a

general proposition, costs awards against an applicant debtor can be treated as a post-filing priority obligation. I note that the payment of post-filing costs awards is not specifically addressed in the CCAA or in the Amended and Restated Initial Order dated March 21, 2025, one way or the other.

[30] In terms of the overall fairness and reasonableness, the FILO Lenders point out that the funds in the HBC estate that will be available for distribution are limited. The court has acknowledged that it is not clear who the fulcrum creditor will be. If the costs award is granted and ordered to be paid now, it will effectively be paid from the FILO Lenders' collateral, and there is a significant risk that the FILO Lenders will never recover these amounts.

[31] In the particular circumstances of this case, to require the FILO Lenders to pay now (either directly or indirectly) for both the Applicants' and Landlords' costs would be unjust and contrary to the policy and remedial aims to the CCAA.

[32] The FILO Agent contends on behalf of the FILO Lenders that the true antagonists on this motion were the Opposing Landlords and Pathlight—the secured creditor that stood to benefit from the value to be achieved from the Central Walk Transaction and assignment of the Leases. The FILO Agent argues that Pathlight was the real "losing party" and the party that should pay the costs of the Opposing Landlords. The FILO Agent points to the choice that was made by the Applicants, at the urging and with the support of Pathlight, when the Purchaser did not fulfil its obligations to seek the consent of the Opposing Landlords under the Central Walk APA: Instead of relying on the protections in the Central Walk APA and keeping the deposit, the Applicants (and Pathlight) elected to proceed with an assignment motion. That is what put them in an adversarial position against the Opposing Landlords.

[33] Pathlight objects on a number of procedural and other grounds to any request that it pay the costs of the Opposing Landlords. It specifically objects to any characterization of it as a "party" to this dispute, sheltering itself behind the Applicants. Determining who the "parties" are to particular disputes in restructuring and insolvency proceedings can be tricky. Stakeholders often participate in motions and aspects of the applications on matters that are of interest to them, whether to raise them or oppose them. They may be considered "parties" to the particular dispute in that sense, even if not parties in the more traditional litigation sense.

[34] I do not need to decide the question of whether Pathlight should directly pay the costs of the Opposing Landlords as a "losing" party on this lease assignment dispute because there is a more fundamental issue in this case about acceding to the request of the FILO Agent to make an order now directly against Pathlight to pay any costs awarded to the Opposing Landlords.

[35] In the Lease Assignment Decision when the court addressed the FILO Agent's motion, the aspects of that motion that were seeking the opposite outcome of the relief sought by the Applicants were successful by virtue of the Applicants' motion being dismissed. However, other aspects of the FILO Agent's motion were not granted, and specifically those aspects by which the FILO Agent was asking for a court order requiring Pathlight to pay the costs associated with the Applicants' pursuit of the Central Walk Transaction from and after July 15, 2025, including fees of legal counsel. The FILO Agent did not appeal this decision. The reasons for not making that order, at paras. 205-208 of the Lease Assignment Decision, were that:

> [205] Fundamentally, the complaints and concerns of the FILO Agent relate to costs generally and the allocation of costs in this *CCAA* proceeding. Those concerns may or may not be well-founded and they may or may not properly result in a disproportionate allocation of professional fees and other restructuring costs, awards of costs, and/or other relief. It is well established that this court has broad jurisdiction to allocate costs in a *CCAA* proceeding as among stakeholders both pursuant to s. 11 of the *CCAA* and as a result of the court's inherent and equitable jurisdiction. However, in my view, all of that is for another day.
>
> [206] At this stage, it would be extraordinary in a *CCAA* proceeding, and in my view is inappropriate in the particular circumstances here, to grant an order requiring one creditor or group of creditors to pay ongoing costs and expenses of the Applicants (such as lease costs) on the basis that ultimate recoveries for creditors seeking that relief may be compromised or reduced, or on the basis that the present motion would, if successful, have generated recoveries to be distributed primarily to the benefit of another creditor.
>
> [207] At least in large part, such an order here (i.e., an order requiring Pathlight to pay the costs under the CW Leases) would effectively be a predetermination of a number of issues: whether and to what extent the creditor rights of the FILO Agent rank in priority to those of Pathlight; over which assets; and whether either or both of those creditor groups will recover on proven claims and to what extent.
>
> [208] These issues have not been finally determined. … I am not persuaded that it would be fair or appropriate at this stage to allocate costs of one particular transaction or event in isolation, as opposed to allocating costs in a just and equitable manner considering all of the circumstances, typically at the end of the proceeding.

[36] The court was addressing a broader issue in this aspect of the Lease Assignment Decision dealing with the FILO Agent's motion, beyond just the matter of who should bear the responsibility for the costs incurred by the Applicants for their unsuccessful Lease Assignment Motion. The FILO Agent's motion was broad enough to encapsulate the issue that the court is now being asked to re-consider regarding who should bear the responsibility, and in what proportion, of any costs that the Applicants' may be ordered to pay to the Opposing Landlords. The same logic should therefore apply, which leads me to the same conclusion: "I am not persuaded that it would be fair or appropriate at this stage to allocate costs of one particular transaction or event in isolation, as opposed to allocating costs in a just and equitable manner considering all of the circumstances, typically at the end of the proceeding".

[37] The Opposing Landlords argue that the fact that the FILO Lenders never approved and never stood to benefit from the Central Walk Transaction are allocation issues that this court found are for another day, but that should not alter the costs analysis for this motion. I have difficulty

with this argument. Part of what the court is being asked to consider by the Opposing Landlords is whether an award of costs should be characterized as a post-filing obligation and paid now. That is, at least partially if not entirely, a priority issue that will have a direct impact on the eventual allocations and recoveries as between creditors.

[38] In all of these circumstances, I agree with Pathlight that the FILO Agent's fallback position is the one that should prevail, even if it does mean that the Objecting Landlords will not get paid anything right away and even if it means that in the end there might not be funds available to pay the costs awarded to the Opposing Landlords. All of that will be an issue for another day. At this time, I agree that the court should defer payment of any costs award until the end of the CCAA proceeding, or at least after any reallocation of costs generally. That is the best way in which to reconcile the requests for costs with the earlier determination of Osborne J. that it is premature to undertake an exercise allocating costs and expenses of the Applicants at this stage of the proceeding.

[39] I will deal briefly with one further argument that was raised as a ground for denying the Opposing Landlords their costs of this motion, which is that they benefitted from the Applicants' pursuit of the Central Walk Transaction. This is predicated on the fact that they received almost $15 million in "dead rent" while the premises sat empty and the approval of the Central Walk Transaction was pursued (rent they would not have received if the Central Walk Transaction had not been pursued and their leases had been disclaimed, leaving them with unsecured claims for rent against the HBC estate).

[40] I do not agree that this is a reason to deny the Opposing Landlords their costs. The Applicants chose to retain the Leases despite the protestations of the Opposing Landlords, and despite the fact that they could have disclaimed them. The CCAA permitted the Applicants to preserve their option for a potential assignment under s. 11.3 of the CCAA if they kept the payments due under the Leases current, but the Applicants cannot now claim that the rent they paid constitutes a windfall to the Opposing Landlords. That said, the fact that the Opposing Landlords received these payments does soften the blow in terms of them being out of pocket for their costs of this motion pending further determinations of claims and priorities, since they received rent far in excess of the costs they are claiming.

IC Costs Claimed for Ipso Facto Relief

[41] The same principles and analysis as discussed above apply to the question of the entitlement of IC to the costs it has requested in respect of the *Ipso Facto* Relief that was sought in order to satisfy one of the conditions of the Central Walk Transaction. The *Ipso Facto* Relief was declined by the court not only on the basis that the Central Walk Transaction was not approved but also on the basis that the predicate upon which this relief was requested was not supportable or available. While, in contrast to the lease assignments, the Monitor did support this relief that the Applicants sought, that does not change the outcome-based analysis as to winners and losers. However, the Monitor's support does lend an air of reasonableness to the request even though it was not ultimately granted.

[42] Nonetheless, this relief was sought in the context of the broader adversarial dispute between the Applicants/Pathlight and the Opposing Landlords; it just affected one of those landlords specifically.

[43] IC proposed to the Monitor that the determination of the *Ipso Facto* Relief be deferred until after the determination of the assignment relief, recognizing that if the assignment relief was not granted the *Ipso Facto* Relief would become moot, as it in fact did. However, when the Monitor presented this proposal to the court, the Applicants opposed it, so the *Ipso Facto* Relief was adjudicated in tandem with the assignment motion on an expedited schedule.

[44] IC is entitled to the incremental additional costs it incurred to successfully oppose the *Ipso Facto* Relief for the same reasons as I have found the Opposing Landlords to be entitled to their costs of their successful opposition of the assignment relief. The payment of any such costs shall, similarly, be deferred until the end of the CCAA proceeding or at least after any reallocation of costs generally. That is the best way in which to reconcile the requests for costs with the determination already made by Osborne J. that it is premature to undertake an exercise allocating costs and expenses of the Applicants at this stage of the proceeding.

Scale of Costs

[45] On August 21, the day after the Monitor's Eighth Report, the Opposing Landlords offered to settle the assignment motion on the following terms:

a. The Opposing Landlords would accept an immediate disclaimer of the leases with an effective date of September 15, 2025. Rent would only be payable to September 15, 2025, avoiding a 30-day disclaimer period.

b. The Opposing Landlords would accept the premises with all FF&E (including signage) to be addressed at the landlords' cost.

c. The assignment motion would be dismissed, with prejudice, and without costs.

[46] The Applicants' counter-offer to this was for the Opposing Landlords to accept immediate disclaimer with rent ended retroactively to August 15, 2025 and for the Landlords to pay cash of $29 million to the Applicants.

[47] Neither of the "offers" qualify as an offer that attracts the mandatory cost consequences under r. 49.10 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

[48] This court has already concluded in the Lease Assignment Decision that the Applicants did not act in bad faith with respect to the Central Walk Transaction, and the Company was not faulted for having pursued this transaction, which arose out of a court-approved sale process. There is nothing else about the conduct of any of the parties that has been identified that would warrant an elevated scale of costs, beyond partial indemnity costs, which is the normal scale of costs that is awarded.

[49] Accordingly, the costs awards in favour of the Opposing Landlords, including IC's additional incremental costs in respect of the *Ipso Facto* Relief, are awarded on a partial indemnity scale.

The Quantum of Costs Claimed by the Opposing Landlords and Additional Costs Claimed by IC

[50] The quantum of the costs sought by the Opposing Landlords is fair, reasonable, and proportionate in the circumstances, having regard to the importance, complexity, novelty, and compressed timeline of the motion, for the more detailed reasons they have outlined in their Joint Cost Submissions at paras. 24-34, including that:

a. The assignment motion was of critical importance to the Opposing Landlords.

b. The motions were unprecedented in scope and scale.

c. The assignment motion was a significant undertaking in a compressed period.

d. The eight Opposing Landlords took all steps available to streamline, coordinate, reduce duplication, and reduce costs.

e. The complexity, timeline, and magnitude of work was all within the reasonable expectation of the Applicants.

f. The fees incurred were within the expectations of the Applicants and are reasonable given the experience of counsel. All parties to the assignment motion were represented by senior Canadian insolvency and litigation counsel, whose rates are commensurate with their experience, the scale of the issues, and the complexity of the case, including the urgency imposed by the compressed timetable.

g. Even if it did not warrant a higher scale of substantial indemnity costs, the Landlords made a settlement offer that would have provided a significant savings to the estate.

[51] None of the Applicants, the FILO Agent, nor Pathlight have provided costs outlines of their own that demonstrate that the Opposing Landlords' and IC's incremental costs were excessive. Having considered all of the above factors and reviewed the Bills of Costs/Costs Outlines submitted by the Opposing Landlords and IC, I find their costs to be fair, reasonable, and appropriate in the circumstances, and I see no reason to reduce the amounts they have claimed.

[52] The shared cost (disbursement) for the expert reports of the Opposing Landlords was also reasonably (jointly) incurred and is recoverable by them in their proportionate shares based on their agreed contributions. Undoubtably, some expense was saved by the joint expert retainers.

[53] It was suggested by the Applicants that the court should award only nominal costs ($25,000 per landlord), said to be consistent with the Court of Appeal for Ontario's guidance in *Apotex Inc. v. Eli Lilly Canada Inc*., 2022 ONCA 587, at para. 63, leave to appeal refused, [2022] S.C.C.A. No. 387, that courts should avoid unprecedented costs awards. The Applicants contend that there are no costs decisions in CCAA proceedings where the debtor like HBC, acting in good faith and

with due diligence, has been ordered to pay more than what they suggest as nominal costs. In fact, the FILO Agent suggested that the nominal costs should be no more than $20,000 in the aggregate.

[54] As noted earlier, this was an unprecedented situation, and I consider an unprecedented costs award to be warranted. It may not result in recoveries for the winning parties because they did not succeed in their (also unprecedented) request for the court to order that their costs be paid now as a post-filing priority claim. However, for purposes of fixing their costs, the amounts are justified and nominal costs are not appropriate to serve the objectives (including indemnity) of making a costs award in these circumstances, even when balanced against the CCAA objectives which also must be considered.

Final Disposition

[55] The Opposing Landlords are awarded their partial indemnity legal fees, plus expert costs of $512,096.48 and non-expert disbursements.

[56] The partial indemnity costs for each of the Opposing Landlords, as certified in the respective Bills of Costs/Costs Outlines (including partial indemnity fees, non-expert disbursements and applicable taxes), is as follows:

a. Cadillac Fairview: $680,067.43

b. IC: $98,339.95

c. Morguard Investments Limited: $120,996.73

d. Westcliff Management Ltd.: $35,942.03

e. QuadReal Property Group: $41,917.01

f. Primaris Management Inc.: $209,388.44

g. KingSett Capital Inc.: $321,366.19

h. Oxford Properties Group: $387,216.14[2]

Total: $1,887,877.65[3]

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[2] Oxford's costs properly include the fees it incurred in filing responding materials to preserve the Hillcrest Right of first refusal ("RFOR"). The Central Walk APA expressly sought to extinguish the Hillcrest ROFR. Oxford repeatedly sought a tolling of the Hillcrest ROFR pending the outcome of the approval motion, which would have avoided the necessity of filing materials on that issue. The Applicants triggered a notice period to expire prior to a determination of the approval motion, at the same time as (undisclosed to Oxford) stating that Ruby Liu was in default of the APA.

[3] The court notes that his amount is indicated to be $1,866,965.59 in the Opposing Landlords' Joint Written Submissions. The discrepancy has not been reconciled but the amount awarded is intended to correspond with their Costs Outlines/Bills of Costs.

[57] IC is entitled to its further incremental partial indemnity costs of responding to the *Ipso Facto* Relief, in the certified all-inclusive amount of $144,908.09.

Kimmel J.

Date: March 10, 2026

APPENDIX B
Endorsement dated February 13, 2026

See attached.

CITATION: Re 1242939 B.C. Unlimited Liability Company et al (formerly Hudson's Bay Company ULC et al), 2026 ONSC 898
COURT FILE NO.: CV-25-00738613-00CL
DATE: 20260213

SUPERIOR COURT OF JUSTICE – ONTARIO (COMMERCIAL LIST)

RE: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC., Applicants

BEFORE: Kimmel J.

COUNSEL: *Elizabeth Pillon and Brittney Ketwaroo*, for the Applicants

Karen Ensslen and Susan Ursel, Employee Representative Counsel

Sean Zweig and Thomas Gray, for the Court-Appointed Monitor

Caitlin McIntyre, for the FILO Lenders

HEARD: February 11, 2026

ENDORSEMENT
(EMPLOYEE HARDSHIP FUND)

Background – CCAA Proceedings and Implications for Vulnerable Employees and Former Employees

[1] On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI) ("Hudson's Bay" or the "Company"), and the other applicants (together, the "Applicants"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to an initial order of this court (the "Initial Order"). Alvarez & Marsal Canada Inc. ("A&M" or the "Monitor"), was appointed as the monitor of the Applicants.

[2] After the Initial Order was granted, the Applicants' 96 stores across the country closed and all but eight of their approximately 9,364 employees were terminated from their employment. The Applicants notified 188 disabled employees and former employees that their LTD benefits would terminate effective June 15, 2025. While many employees receive LTD benefits through insurance policies that provide protection against the insolvency of the employer, this group had been receiving LTD benefits that were funded

through the Company's general revenues and administered under various administrative-services only ("ASO") plans.

[3] Most of these individuals were covered by an ASO plan with Manulife under Group Policy G0083432 (the "ASO Plan Document") (collectively, the "ASO LTD Recipients"). In addition, there was also one former Woodwards/Simpsons employee who was covered by an ASO plan under Group Policy 83002 (the "Woodwards Plan Document"), also administered by Manulife (the "Woodwards LTD Recipient"). The ASO LTD Recipients and the Woodwards LTD Recipient are a highly vulnerable groups of stakeholders in these proceedings, as the vast majority have been determined to be completely disabled from performing any occupation.

[4] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the factum filed in support of this motion by the court-appointed Employee Representative Counsel ("ERC"). The written materials submitted by ERC, the Applicants and the Monitor are the source of the description of the motion, the background, the specifics of the Term Sheet, and the proposed Hardship Programs.

The Motion

[5] As outlined in their factum filed in support of this motion, the ERC brings this motion to approve the Hardship Programs Term Sheet dated February 3, 2026 (the "Term Sheet") providing for three programs designed to alleviate various forms of hardship experienced by the Applicants' non-unionized employees and granting incidental orders and releases associated with the Hardship Programs.

Approval of Hardship Programs Term Sheet

[6] The Hardship Programs include:

(a) The Trust Program, to extend and settle future claims for long-term disability ("LTD") benefits for approximately 157 former employees of the Applicants whose LTD benefits would otherwise have terminated;

(b) The Woodwards Replacement Policy, to continue and settle LTD benefits owing to a former employee of Woodwards Stores Limited/Simpsons, Limited (both predecessors of the Applicants) through a paid-up contract of insurance, whose LTD benefits would otherwise have terminated; and

(c) The Employee Hardship Program, to provide an avenue for the Applicants' former employees and retirees facing extraordinary hardship to obtain some relief, provided certain conditions in the Term Sheet and eligibility requirements are met.

[7] The Applicants support ERC's motion. The motion is also supported by the Monitor and the FILO Agent, and there has been no indication of any opposition from other Secured Lenders.

[8] No one raised any concerns about or opposition to the relief sought or the form of order to be signed, other than Mr. Robert Rene Turpin, whose assertions will be addressed later in this endorsement.

[9] Any delay in approving the Term Sheet risks delaying the payment of interim Extended LTD Benefits to the Extended LTD Recipients (defined below), as proposed in the Term Sheet, the first installment of which is due February 15, 2026.

The Term Sheet

[10] The Term Sheet was negotiated over an extended period of time. Those negotiations were multi-faceted, and involved financial, legal, tax, and benefits considerations. Significant effort was made to ensure that the benefits could be provided in the most economical fashion, while protecting all parties from undue liabilities. The Monitor, the Secured Lenders and the Company extended ASO LTD benefits to facilitate these ongoing negotiations and due diligence. As of February 15, 2026, the Company will have paid approximately $1,050,000 in Post Filing LTD Payments to the ASO LTD Recipients and the Woodwards LTD Recipient, which amounts are subject to reimbursement under the Term Sheet.

[11] During this period, several ASO LTD Recipients reached age 65 and ceased to be entitled to LTD benefits under their respective plans. As of February 4, 2026, there were 157 ASO LTD Recipients who continue to receive ASO LTD benefits under the ASO Plan Document (the "Extended LTD Recipients") in addition to the Woodwards LTD Recipient.

[12] There were two potential sources of funds that could be used to alleviate the hardships faced by the Applicants' former employees. Those funds consist of (1) $9.9 million held in a trust originally established by Zellers Limited ("Zellers"), that was continued by the Company following its merger with Zellers; and (2) $1.6 million held by Manulife as a reserve to fund various benefits in accordance with contractual arrangements between Manulife and the Company. Specifically:

(a) The Zellers "Trust" was established on June 1, 1980. The Company assumed the responsibilities of the settlor of the Trust (*mutatis mutandi* for Zellers) and as Participating Employer under art. 1.06 of the Trust Agreement when Zellers and the Company later amalgamated. The Trust currently has approximately $9.9 million in assets, held in an account at the Bank of Nova Scotia and its affiliates ("ScotiaWealth").

(b) The Company contracted with Manulife to administer various ASO group benefits and other policies for its employees, former employees, and retirees and employees of certain legacy employers. Manulife held a reserve of funds to pay for the payment of benefits, administrative service charges and applicable taxes (the "Company Reserve Fund"). This reserve was not held in a formal trust arrangement. Manulife continues to hold the Company Reserve Fund, which was in the approximate amount of $1,639,000 as of January 31, 2026.

[13] Entitlement to these funds was one of the main points of negotiation among the stakeholders participating in the negotiation of the Term Sheet. The Secured Lenders previously asserted entitlement to all of the assets that would allow for the funding for the contemplated Hardship Programs. Following extensive negotiations, the Hardship Programs Term Sheet represents a consensual resolution of issues between ERC, the Applicants and the Secured Lenders based upon the sources and proposed uses of funding under the Term Sheet summarized below.

[14] The Term Sheet proposes to establish three separate programs: (a) the Trust Program; (b) the Woodwards Replacement Policy; and (c) the Employee Hardship Program. The Hardship Programs would be funded through the Trust, the Company Reserve Fund, and, in the case of the Employee Hardship Program, the Applicant's cash on hand representing foregone payments owing to the Secured Lenders in the amount of $250,000, if the conditions for that funding are met.

[15] The Trust Program contemplates that the Trustees will arrange to wind up the Trust, clear its outstanding tax liabilities, reimburse the Applicants for trust expenses advanced by the Company, and distribute the remaining assets to the Extended LTD Recipients. This requires a significant degree of planning, coordination and cooperation, particularly on the part of current Trustees. Target distributions will consist of: (a) $3.95 million to the Company to be applied to the Trust Program (for the benefit of the Extended LTD Recipients); and (b) $4.1 million to the Monitor, on behalf of the Company, as part of the agreed upon Reimbursement to the Company for specified LTD-related expenses.

[16] The assets in the Trust are insufficient to fully insure or otherwise provide complete replacement of the Extended LTD Recipients' LTD benefits. The Term Sheet contemplates that the LTD component of the ASO Plan Document and the Woodwards Plan Document will be terminated, given that the benefit plans can no longer continue because of the Applicants' insolvency. In lieu thereof, in addition to the Post-Filing LTD Payments, the Trust Program contemplates three forms of payment to the Extended LTD Recipients from the Trust (together, the "LTD Settlement Payments").

[17] The Trust assets cannot be used to fund benefits for the Woodwards LTD Recipient because they were never a beneficiary of the Trust. This is because the Woodwards LTD Recipient was never actively employed by Zellers or the Company, did not fall within the definition of Participating Member under the Trust Agreement, and did not receive benefits under the Trust Plan. As such, the Term Sheet provides for the purchase of a contract of a substantially similar insurance at the cost of approximately $57,000 to fully satisfy all obligations to the Woodwards LTD Recipient under the Woodwards LTD Policy.

[18] As long as the Reimbursement reaches the minimum target amount of $4,100,000, the Secured Lenders have agreed to forego $250,000 in indebtedness owing to them to establish the Employee Hardship Program. For this reason, the Employee Hardship Program will not be funded or available until after the Tax Comfort is received and the Wind-Up Reserve is determined, which will in turn determine the amount of the Reimbursement in the future.

[19] The Employee Hardship Program will allow former employees who were terminated on or after the Filing Date, as well as certain retirees and other eligible individuals such as dependents, to apply for funds to alleviate exceptional hardships. Applicants who meet the criteria in s. C(4) of the Term Sheet can receive up to a maximum payment of up to eight (8) weeks' of their regular wages (as determined by applicable employment standards legislation), up to a maximum gross weekly amount of $1,200 per week, with the possibility of also receiving further payment of up to $2,500 on a discretionary basis in cases of medical and other emergencies.

[20] The Monitor has agreed to administer the application process, which will run from the date of the funding of the Employee Hardship Program to six (6) months thereafter or until such earlier date as funds no longer exist in the Employee Hardship Program. If the Monitor denies an application, the Term Sheet provides for the ability to appeal to a Hardship Committee that consists of one appointee of the Applicants, one appointee of ERC, and one appointee of the Monitor.

[21] Many of those involved in maintaining and administering the existing arrangements and negotiating the new arrangements under the Term Sheet will need to continue to be involved, to various degrees, until all of the contemplated implementation and distribution steps have been completed.

Approval of The Term Sheet

[22] In determining whether to exercise its discretion to approve a settlement agreement, the court considers three factors: (a) whether the settlement is fair and reasonable in the circumstances; (b) whether the settlement will benefit the debtor and its stakeholders generally; and (c) whether the settlement is consistent with the purpose and spirit of the CCAA: see *In Re DCL Corporation*, 2025 ONSC 4976, at para. 14; *Robertson v. ProQuest Information & Learning Co*., 2011 ONSC 1647, at para. 22; *Labourers' Pension Fund of Central and Eastern Canada v. Sino-Forest Corp*., 2013 ONSC 1078, 100 C.B.R. (5th) 30 ("*Sino-Forest*"), at para. 49, leave to appeal to Ont. C.A. refused, 2013 ONCA 456, leave to appeal refused, [2013] S.C.C.A. No. 395; *The Cash Store Financial Services Inc. (Re)*, 2015 ONSC 7538, 33 C.B.R. (6th) 110, at para. 14.

[23] These factors support the approval of the Term Sheet and each of the three Hardship Programs that it provides for:

(a) The settlement reflected in the Term Sheet is fair and reasonable in the sense that it moves the CCAA proceedings towards a successful compromise, and permits the Applicants to move on to the remaining steps that need to be accomplished before the CCAA proceedings can be concluded: see *Air Canada, Re* (2004), 47 C.B.R. (4th) 169 (Ont. S.C.), at para. 9. Given the competing claims to both the Trust assets and the Company Reserve Fund (some of which may have required determinations to be made pursuant to the Quebec law under which the Trust Agreement is to be construed), a resolution that allows the orderly wind-up of the Trust, the return of the Company Reserve Fund, currently held with Manulife, to be refunded to the Monitor and held pending distribution to the FILO Agent or pursuant to further court Order, and the consolidation of all long term disability benefits brings certainty and predictability for the next steps that the Company and its stakeholders will face as they work through the CCAA process.

(b) The Term Sheet not only benefits the Extended LTD Recipients, the Woodwards LTD Recipient, and other eligible employees, but also the Applicants' creditors by avoiding litigation that would be costly, time consuming, and uncertain. The perceived benefits to other stakeholders can be inferred from their support or lack of opposition to the court's approval of the Term Sheet.

(c) The settlement is consistent with the purpose and spirit of the CCAA insofar as it efficiently resolves competing claims to the disputed funds, including the Trust and Company Reserve Fund, and provides a scheme for the orderly consolidation and distribution of benefits to eligible recipients. The Term Sheet is a global resolution, consistent with the CCAA's objective of enabling an orderly wind-up of the debtor company's affairs.

[24] The termination and wind-up of the Trust and distribution of its assets is being undertaken in a manner consistent with the Trust Agreement, relying heavily upon the Trustees. That is a fair and reasonable way to access the Trust funds for their intended beneficiaries. The Term Sheet also provides a fair and reasonable way for a portion of the Company Reserve Fund to be used to purchase a replacement policy for the Woodwards LTD Recipient. The Woodwards Replacement Policy assists a vulnerable stakeholder in these proceedings, whose circumstances did not allow them to be included in the Trust Program.

[25] The Employee Hardship Program creates a fair process for employees with extraordinary hardships to apply to the Monitor for hardship payments, as well as a mechanism to appeal a denial to an independent Hardship Committee. This program design also substantively mirrors the terms of the employee hardship fund approved in Sears: see *Re Sears Canada* (18 August 2017), Toronto, CV-17-11846-00CL (Ont. S.C.).

[26] This Court has approved the creation of a hardship fund to mitigate the dislocation experienced by employees in other insolvencies: see e.g. *Target Canada Co. (Re)*, 2015 ONSC 303, 22 C.B.R. (6th) 323, at paras. 53-55; *Nortel Networks Corporation (Re)*, 2009 CanLII 41210 (Ont. S.C.), at para. 9.

Ancillary Relief

[27] The proposed form of order contains various terms. They are all appropriate in the circumstances of this case. I will address certain of them that warrant specific attention.

Approval of Releases

[28] When determining if a release is appropriate in the circumstances of a sale transaction, the court considers the same factors that are applicable to the approval of releases in connection with a plan of arrangement: see *Re Green Relief Inc*., 2020 ONSC 6837, 88 C.B.R. (6th) 305. The test for approving releases in connection with a plan is as set out in *Lydian International Limited (Re)*, 2020 ONSC 4006, 81 C.B.R. (6th) 218, at para. 54.

The court's authority to approve releases is not express, but rather derived from the broad authority under s. 11 of the CCAA which is what is relied upon here to support the approval of releases in connection with a settlement approval under s. 11 of the CCAA. The same factors should be applied when considering releases in the context of a settlement.

[29] In these circumstances, the court will assess: (a) whether the claims to be released are "rationally related to the purpose of the plan" [settlement]; (b) whether the claims to be released are "necessary for the plan of arrangement" [settlement]; (c) whether "the parties who have claims released against them [are] contributing in a tangible and realistic way"; and (d) Whether the [settlement] "plan benefit[s] the debtor and the creditors generally": *Sino-Forest*, at para. 50.

[30] The releases provided for in the proposed order on this motion are in favour of:

(a) the Applicants, the Monitor, the Hardship Committee, the Trustees and all former trustees of the Trust, Employee Representative Counsel, Manulife and ScotiaWealth, as applicable, and their respective directors, officers, employees, legal counsel, and other advisors, releasing them from any and all present and future claims whatsoever in connection with their administration of the Trust, termination of the Trust Plan and LTD component of the ASO Plan Document, termination of the Trust, termination of the Woodwards LTD Policy, and implementation of the Hardship Programs Term Sheet, and the carrying out the terms of the Hardship Programs and the Hardship Programs Order; and

(b) the Monitor, Employee Representative Counsel and the Hardship Committee, none of whom are to incur any liability in connection with the Hardship Programs.

[31] These releases are appropriate in scope and are rationally connected to the relief sought, as they are for the benefit of the vulnerable stakeholders intended to benefit under the Hardship Programs. The specific roles played, and to be played, by each of the releasees are summarized in paragraph 59 of the ERC factum on this motion and in section 4.0 of the Monitor's Thirteenth Report. The releases have the required carve outs for claims that are not permitted to be released pursuant to s. 5.1(2) of the CCAA and claims arising from fraud or wilful misconduct.

[32] I have not gone into the specifics of the roles of the other releasees because the justification for granting releases being granted to those categories of individuals are apparent and customary in these types of situations where the requirements for granting releases have been satisfied, as they have been shown to be in this case. The involvement of former and current Trustees is more unique to this case and is deserving of some mention. It is a relevant additional consideration that the Trust Agreement contains release, indemnity and limitation of liability provisions in favour of the Trustees. Further, they have not personally benefitted from the settlement represented by the Term Sheet. The current Trustees are essential to the implementation of the Term Sheet and have agreed to continue their role as Trustees to facilitate that, on the condition that all of the Trustees receive protections being sought, including the receipt of Tax Comfort and releases in respect of the Trust and implementation of the Term Sheet, and protection against disclosure of personal information.

[33] The protections being sought for the Trustees were reasonable when the motion was filed on February 4, 2026, and have become more poignant given the nature of the responses served by Mr. Turpin on the CCAA service list, which speak to the possibility of retaliation and attempts to hold the Trustees personally responsible for claims of unjust enrichment and the like. This is added justification for granting the requested protection for the former and current Trustees, both in terms of the releases and the sealing order (discussed below).

[34] I agree that the Trustees, as individuals who have contributed significantly to this process, should not be exposed to personal liability as a result of their past service and ongoing participation in implementing a now court-approved Term Sheet.

Declaratory Relief

[35] Paragraph 21 of the order seeks a declaration that payments from the Employee Hardship Program are not earnings arising from the employment of Hardship Applicants but are intended to alleviate particular hardships faced by those Hardship Applicants. This declaratory relief is relevant to whether receipt of Employee Hardship Fund payments will result in any Employment Insurance ("EI") repayment obligations.

[36] The criteria for receipt of payments from the Employee Hardship Fund are the same as in the Sears case and, similar to Sears, those payments are being funded by foregone payments owing to the Secured Lenders. In these similar circumstances, the Social Security Tribunal in *Canada Employment Insurance Commission v. VA*, 2020 SST 400, determined that payments from the employee hardship fund established in the Sears insolvency did not constitute "earnings".

[37] The proposed declaration in this case confirms that the payment of funds has been structured in a manner consistent with that prior ruling so that they can be characterized in the same way, and not constitute "earnings" that would be subject to withholding or repayment obligations that could defeat the purpose of the payments from the Employee Hardship Fund to qualified Hardship Applicants. Granting the declaratory relief allows the funds to be disbursed immediately and used for their intended purpose, which is to alleviate extraordinary hardships faced by eligible individuals.

[38] The Attorney General was on notice of this motion and asked for an additional paragraph to be added to the order, to ensure that it is provided with the names of successful Hardship Applicants, and with the amount of the applicable Employee Hardship Payment for each successful Hardship Applicant, within one business day of approval of an Application Form and prior to the transfer of any amount by the Monitor to the Company. This provision has been included in paragraph 22 of the Order, immediately after the declaratory relief. No objection was raised to the declaratory paragraph in the order.

[39] Declaratory relief can be granted under s. 11 of the CCAA in appropriate circumstances, such as exist here where: (a) the court has jurisdiction to hear the issue, (b) the dispute is real and not theoretical, (c) the party raising the issue has a genuine interest in its resolution, and (d) the responding party has an interest in opposing the declaration being sought: see *S.A. v. Metro Vancouver Housing Corp*., 2019 SCC 4, [2019] 1 S.C.R. 99, at para. 60; see also *Bryton Capital Corp. GP Ltd. v. CIM Bayview Creek Inc*., 2023 ONCA 363, 8 C.B.R. (7th) 22, at paras. 63-64.

[40] The declaratory relief sought in this case is directed to a real, not a theoretical, issue that this court has jurisdiction to decide under s. 11 of the CCAA, regarding the characterization of funds that will be distributed under the approved Employee Hardship Program to ensure that it achieves its intended objective of providing compensation to vulnerable employees. The interested stakeholders are all before the court. I find it to be appropriate to exercise my discretion to grant the declaratory relief requested in the circumstances of this case.

Sealing Order

[41] ERC and the Applicants are seeking a sealing order (and permission to redact from the public record) confidential personal information contained in: (a) Schedule "A" to the Term Sheet, which identifies the

Extended LTD Recipients, their Pre-Determined Monthly Amounts and their Maximum Benefit (Age 65) dates; (b) para. B.1 of the Term Sheet which identifies the Woodwards LTD Recipient; c) portions of the Term Sheet and Trust Agreement which identify current and former Trustees (names) and their personal information (addresses). That information includes both their personal information and, in the case of the LTD Beneficiaries, because it reveals their receipt of LTD benefits, by implication, their personal health information and financial information.

[42] All three factors delineated in the *Sherman Estate v. Donovan*, 2021 SCC 25, [2021] 2 S.C.R. 75, at para. 38, are satisfied here:

(a) The sensitive personal and compensation information of employees is an important public interest that should be protected: see *Tacora Resources Inc. (Re)*, 2023 ONSC 6126, 9 C.B.R. (7th) 234, at paras. 160-61; *Just Energy Group Inc. et al*., 2021 ONSC 7630, 95 C.B.R. (6th) 264, at para. 28; *Canwest Global Communications Corp. (Re)* (2009), 59 C.B.R. (5th) 72 (Ont. S.C.), at para. 52; *Re Essar Steel Algoma Inc et al*, 2015 ONSC 7656, 31 C.B.R. (6th) 116, at paras. 22-26. Employees have a reasonable expectation that their names and financial and health information will be kept confidential: *Tacora*, at para. 160. Personal information about employees is sealed when dealing with employment incentive programs (for example, key employee retention plans, or KERPs) in insolvency situations: *Ontario Securities Commission v. Bridging Finance Inc*., 2021 ONSC 4347, 90 C.B.R. (6th) 102, at paras. 25-27; *Just Energy Group Inc. et al.*, at paras. 26-29. The Trustees do not stand to gain anything from their continued involvement, which is essential to the establishment and implementation of the Hardship Program, and they should not be exposed, without some further involvement of the court, to threats of retaliation (such as have been made recently and directly in this case by Mr. Turpin, as discussed later in this endorsement). None of the parties whose Personal Information is redacted consented to the public disclosure of their Personal Information and publicly disclosing it could breach their privacy interests, which are important public interests.

(b) There is no other reasonable alternative way to protect the Extended LTD Recipients' and the Woodwards LTD Recipient's and the Trustees' privacy interests that could be employed instead of granting the sealing relief requested. The sealing relief is only in respect of limited redacted personal information that is contained in documents that have been filed for this motion, but does not redact the substance of any information relevant to the court's determination of the issues to be decided on this motion.

(c) The benefits of the sealing request outweigh any deleterious effects. The information over which confidentiality is sought to be maintained is discrete, proportional and limited. The public interest in transparency in how the Trust Program is administered is served by disclosing the aggregate amount of the benefits that will be paid, the time period over which they will be paid, and the number of individuals to whom they will be paid in the De Fazio Affidavit. The sealing order would not be for an unlimited duration, as the information would be sealed pending further Order of the Court, and the Monitor does not believe that any stakeholders will be prejudiced by the sealing request.

[43] <u>It is the responsibility of counsel for the moving parties to make the appropriate arrangements for the unredacted and now sealed non-public version of their Motion Record to be properly sealed and filed in a sealed envelope with the court office, with a copy of the order granting the sealing request highlighted and attached to the outside of the sealed envelope.</u>

Objections and Assertions of Robert Turpin

[44] The only party who has objected to the approval of the Hardship Programs Order is Mr. Robert Rene Turpin. The Monitor has provided a summary of communications with Mr. Turpin and the Monitor's

assessment of his various assertions in its Thirteenth Report at sections 3.21-3.24 and in the Supplement to its Thirteenth Report dated February 10, 2026. An oral summary of Mr. Turpin's last communication to the Monitor on the evening of February 10, 2026, was provided to the court during the hearing, with confirmation that it did not provide any new evidence or information or change the Monitor's prior assessment.

[45] As set out in the Monitor's Reports, the Monitor is not aware of any evidence to substantiate Mr. Turpin's claims outlined in his extensive communications and does not believe that Mr. Turpin has articulated a legitimate or credible basis to object to the Hardship Programs Order. As further noted by the Applicants, Mr. Turpin has not presented a legitimate or credible claim and/or interest in the Term Sheet motion. Further, the sources of funds for the Hardship Programs are either trust funds or funds that had been earmarked for these former employees since prior to the CCAA filing, or are the subject to priority claims by secured creditors.

[46] In contrast, Mr. Turpin did not raise his claims in connection with the widely publicized matters already decided by this court, that were the subject of multiple endorsements and eventual orders in respect of which appeal periods have expired, involving, for example, the sale of the Charter and approval of various auctions and other procedures to deal with historic artefacts. In that regard, the Monitor's Thirteenth report details resources and information that Mr. Turpin has been provided regarding some of the Company's historic assets.

[47] Mr. Turpin's unsupported objections and concerns certainly should not delay the approval of the Term Sheet and requested ancillary relief.

[48] Mr. Turpin requested various accommodations from the court and other parties, some of which have been accommodated. As was noted in the court's Stay Confirmation Endorsement dated January 27, 2026, and also confirmed for purposes of this motion:

(a) Mr. Turpin was served with the Monitor's motion material and all other material that was sent to the Service List. He is on the Service List.

(b) Mr. Turpin has received assistance from the court (in connection with the earlier motion) and from counsel for the Monitor throughout to locate historic information and material previously filed in these CCAA proceedings.

(c) The court hearings offer a zoom/hybrid option to observers and participants who seek permission in advance. The court also made arrangements for the zoom functions of closed captioning and audio transcripts to be turned on and available to Mr. Turpin, and a court reporter was present throughout the hearing.

[49] More details of the accommodations that were afforded to Mr. Turpin for this motion are summarized at paragraph 28 of the Applicants' Aide Memoire and in the Monitor's Thirteenth Report dated February 9, 2026, and the Supplement to the Thirteenth Report dated February 10, 2026.

[50] Counsel for the Monitor has included Mr. Turpin's correspondence in its Reports and has provided some comments and observations about it, alerting Mr. Turpin in advance of the hearing and in writing as to what would be said about his assertions at the hearing. The Applicants did the same in their Aide Memoire served on the Service List, including Mr. Turpin, in advance of the hearing.

[51] As occurred at the last hearing, Mr. Turpin advised shortly before this hearing that he did not intend to appear, and he did not appear at the hearing (or at least did not identify himself to be in attendance when the court inquired if he was present, and his name did not appear on the zoom screen among the identified

observers). The concerns noted in his correspondence were nonetheless addressed by counsel for the participating parties and considered by the court.

[52] Mr. Turpin's demand for all matters in this complex CCAA proceeding to be heard entirely in writing is not reasonable and cannot be accommodated.

[53] In exercising that supervisory function, the court is satisfied that reasonable steps were taken to provide accommodations to Mr. Turpin, and that he had received the court material in a timely manner and had reasonable written notice of other parties' positions in respect of his assertions. He had a reasonable and fair amount of time to analyze the contents of the material for this hearing having regard to his stated disabilities (which to date have not been medically documented), but also considering the broader context of the real time litigation that this court manages in a large and complex restructuring proceeding such as this one. In all of the circumstances, it was determined that it was appropriate to proceed with the ERC motion for approval of the Term Sheet and ancillary relief on February 11, 2026, as scheduled.

[54] As this court has said previously in *Niang v. Lakeshore Gardens Co-operative Homes Inc*., 2024 ONSC 3246, at para. 9: "The court cannot simply address the needs of one party alone where doing so may prejudice the other parties. Accommodations sought in legal proceedings must take into account that there are other people whose rights might be affected". This concern is exacerbated in large insolvency and restructuring proceedings involving numerous stakeholders in which there are multiple motions to address settlements, sales transactions and distributions of proceeds, to name a few. This "real time litigation" involves a balancing act of competing interests, under the supervision of the Commercial Court. Certainty is one of the important hallmarks of large restructuring proceedings such as these, with each issue raised and decided in the progression towards a final resolution.

Final Disposition and Order

[55] At the conclusion of the hearing on February 11, 2026, the court indicated that the requested relief would be granted and the order (amended to remove a redundant paragraph [27] identified during the hearing) would be signed by the end of the week.

[56] The order dated February 11, 2026, and signed by me today, shall have effect as of February 11, 2026, without the necessity of formal issuance and entry.

[57] The court asks that the Monitor's counsel serve a copy of this endorsement and the signed order on the Service List.

Date: February 13, 2026 Jessica Kimmel

APPENDIX C
Email from Robert Turpin dated March 9, 2026

See attached.

From:	Robert Turpin
To:	Sean Zweig; ataylor@stikeman.com
Cc:	JUS-G-MAG-CSD-Toronto-SCJ Commercial List; Sangyal, Dawa (MAG)
Subject:	Subject: SERVICE: Notice of Motion for Mandatory Accommodation - CV-25-00738613-00CL
Date:	Monday, March 9, 2026 5:40:15 PM

Attention: The Service List, the Monitor, and the Commercial List Office,

Please find attached a **Notice of Motion for Mandatory Accommodation** regarding the CCAA proceedings of Hudson's Bay Company et al.

As per the direction of the Monitor's counsel (Sean Zweig) and the endorsement of **Justice Kimball**, I am serving this notice on all interested parties. This motion seeks a formal Court Order for written-only proceedings and extended timelines based on documented medical necessity.

1. THE MOTION IS FOR:

An Order confirming that all proceedings involving Robert Rene Turpin be conducted in **plain text/writing** to ensure equitable participation under the **AODA** and the **Human Rights Code**.

2. THE GROUNDS:

- **Standing:** Established by Justice Kimball's endorsement on February 13, 2026.
- **Evidence:** I have provided clinical documentation from **Sullivan + Associates** and **NP Grace Fox** confirming diagnoses of Autism Spectrum Disorder (ASD), ADHD, and Dyslexia.
- **Restitution Claim:** My **$30,000,000 Restitution Claim** and the **Mary Ann Turpin** ancestral records are currently pending and require these accommodations for proper adjudication.

3. ACCOMMODATION NOTICE:

Given my documented disabilities, I require all responses to this motion and all future correspondence from all parties on the Service List to be provided in **plain text format**.

Sincerely,

Crown Prince Robert

Robert Rene Turpin

APPENDIX D
Email from Robert Turpin dated March 13, 2026

See attached.

From: Robert Turpin

To: Brittney Ketwaroo

Cc: Ashley Taylor; Elizabeth Pillon; Maria Konyukhova; Jonah Mann; Philip Yang; Al; Greg; zgold@alvarezandmarsal.com; jkarayannopoulos@alvarezandmarsal.com; mbinder@alvarezandmarsal.com; sdedic@alvarezandmarsal.com; Sean Zweig; Preet Gill; Mike Shakra; Thomas Gray; Shawn Kirkman; Gregg.Galardi@ropesgray.com; Max.Silverstein@ropesgray.com; skukulowicz@cassels.com; msassi@cassels.com; evan.cobb@nortonrosefulbright.com; mwasserman@osler.com; Adam Zalev; develeigh@reflectadvisors.com; redwards@gordonbrothers.com; kelly.smithwayland@justice.gc.ca; edward.park@justice.gc.ca; agc-pgc.toronto-tax-fiscal@justice.gc.ca; Steven.Groeneveld@ontario.ca; insolvency.unit@ontario.ca; cindy.cheuk@gov.bc.ca; AGLSBRevTaxInsolvency@gov.bc.ca; aaron.welch@gov.bc.ca; jsg.servicehmk@gov.ab.ca; tra.revenue@gov.ab.ca; shelley.haner@gov.mb.ca; mbtax@gov.mb.ca; jus.minister@gov.sk.ca; max.hendricks@gov.sk.ca; fin.minister@gov.sk.ca; justweb@gov.ns.ca; FinanceWeb@novascotia.ca; notif-quebec@revenuquebec.ca; notif-montreal@revenuquebec.ca; lgalessiere@cglegal.ca; djmiller@tgf.ca; anesbitt@tgf.ca; ilias.hmimas@gowlingwlg.com; francois.viau@gowlingwlg.com; haddon.murray@gowlingwlg.com; alexandre.forest@gowlingwlg.com; bparker@dv-law.com; jbunting@tyrllp.com; dbish@torys.com; egolden@blaney.com; ckopach@blaney.com; yli@pureindustrial.ca; alemayroux@pureindustrial.ca; rchadwick@goodmans.ca; jpasquariello@goodmans.ca; aharmes@goodmans.ca; bankruptcy@simon.com; justin.connolly@unifor.org; uniforlocal40@gmail.com; Dayle.Steadman@unifor.org; ACampbell@ufcw1518.com; reception@ufcw1518.com; Joardan@usw1417.ca; Dana.Dunphy@unifor.org; jodi@uniforlocal240.ca; mbethel@teamsters31.ca; ufcw@ufcw1006a.ca; gbenchaya@richterconsulting.com; Sarah.Pinsonnault@revenuquebec.ca; DanielCantin@revenuquebec.ca; michael.beeforth@dentons.com; harvey@chaitons.com; mwu@richterconsulting.com; mgottlieb@lolg.ca; awinton@lolg.ca; apang@lolg.ca; TWarnaar@kingsettcapital.com; TRavindrakumar@kingsettcapital.com; renglish@airdberlis.com; chorsten@airdberlis.com; dward@millerthomson.com; mcressatti@millerthomson.com; gcamelino@cglegal.ca; Tushara.Weerasooriya@mcmillan.ca; guneev.bhinder@mcmillan.ca; jeffrey.levine@mcmillan.ca; Toronto@desjam.com; rkim@riocan.com; stephen.mcleese@rbc.com; cl_commercial.mortgage@canadalife.com; td.cmgcommmtg@td.com; chris.golding@rbc.com; drake.guo@rbccm.com; evelyn.reynolds@rogers.com; Maryjaneturner@icloud.com; sposen@dickinsonwright.com; lbrzezin@blaney.com; namar@blaney.com; george@chaitons.com; jwolf@blaney.com; dullmann@blaney.com; bjones@blaney.com; jcaruso@fasken.com; mstephenson@fasken.com; sbrotman@fasken.com; ken.rosenberg@paliareroland.com; max.starnino@paliareroland.com; emily.lawrence@paliareroland.com; wadrummond6@gmail.com; larmstrong@lerners.ca; Jerritt.Pawlyk@ca.dlapiper.com; isaac.belland@ca.dlapiper.com; Kerry.mader@live.com; sbrogers@mccarthy.ca; lwilliams@mccarthy.ca; abowron@mccarthy.ca; sdanielisz@mccarthy.ca; Maya@chaitons.com; Lyndac@chaitons.com; hmeredith@mccarthy.ca; tcourtis@mccarthy.ca; patrick.shea@gowlingwlg.com; russellm@caleywray.com; evan.snyder@paliareroland.com; alisoncoville480@gmail.com; steven.mackinnon@bmo.com; David.Check@bmo.com; Raza.Qureshi@bmo.com; MichaelM.Johnson@bmo.com; micahryu@mbb.ca; VeronicaCai@mbb.ca; janetlee@mbb.ca; william@sica.ca; brian@sica.ca; pmasic@rickettsharris.com; mwasserman@rickettsharris.com; drosenblat@osler.com; ateodorescu@blaney.com; sweisz@cozen.com; DLallani@cozen.com; igor.mershon@aliceandolivia.com; legal@centricbrands.com; mkershaw@mccarthy.ca; gaplummer@mccarthy.ca; jwilson@westdellcorp.com; DPreger@dickinsonwright.com; mclarksonmaciel@cassels.com; jmarks@alvarezandmarsal.com; ahatnay@kmlaw.ca; jharnum@kmlaw.ca; rdrake@kmlaw.ca; ashamim@kmlaw.ca; jcurrie@mccarthy.ca; jkanji@osler.com; jiny@caleywray.com; cmills@millerthomson.com; mlightowler@millerthomson.com; hmanis@manislaw.ca; daniel@leyad.ca; dpereira@stradley.com; lmiller@fieldlaw.com; cj.harayda@stinson.com; BSnyder@TigerGroup.com; cdelfino@airdberlis.com; sgraff@airdberlis.com; Jsuess@riocan.com; rfrasca@riocan.com; matt.rossetti@adidas.com; Edward.Gores@novascotia.ca; Patrick.Magen@revenuquebec.ca; iaversa@airdberlis.com; mlici@airdberlis.com; stephen.brown-okruhlik@mcmillan.ca; clifton.prophet@gowlingwlg.com; patryk.sawicki@gowlingwlg.com; caroline.mallet@sisley.fr; michelle.therriault@sisley.fr; heather.soss@sisley.fr; farah.baloo@unifor.org; blake.scott@unifor.org; jbrisebois@sotos.ca; jkulathungam@teplitskyllp.com; jcarhart@millerthomson.com; mtestani@intelligentaudit.com; Asad.Moten@justice.gc.ca; Walter.Kravchuk@justice.gc.ca; JDacks@osler.com; wsisti@kpmg.ca; sagnihotri@kpmg.ca; carlpaul@kpmg.ca; jgage@mccarthy.ca; yavitzur@reflectadvisors.com; Kourtney.Rylands@mcmillan.ca; cris.navarro@ralphlauren.com; rowena.ricalde@ralphlauren.com; randy.samson@ralphlauren.com; brian.fenelli@ralphlauren.com; scott.bridges@rbc.com; csinclair@goldblattpartners.com; Elizabeth_Robertson@us.crawco.com; liannadooks@serpentinasilver.ca; Lakeio_Irvin@us.crawco.com; Todd.Harris@crawco.ca; gphoenix@LN.law; cfell@reconllp.com; gschachter@reconllp.com; cb@hllo.ca; Louis.Frapporti@gowlingwlg.com; christoph.heinemann@gowlingwlg.com; rory@rorymcgovernpc.com; MSinnadurai@TorontoHydro.com; TDolny@TorontoHydro.com; sparsons@airdberlis.com; smitra@airdberlis.com; cristian.mastrangelo@aeffe.com; jponeill@jpent.com; ipp1@rogers.com; kpietras@steinandstein.com; ELefebvre@blg.com; AFernetbrochu@blg.com; SBarbusci@blg.com; tejash.modi@telushealth.com; john.hnatiw@telushealth.com; pcho@weirfoulds.com; dov@charnesslaw.com; miranda@charnesslaw.com; mark.salzberg@squirepb.com; SIrving@osler.com; ashley.thompson@ncrvoyix.com; MFrazer@mintz.com; efan@mintz.com; PDenroche@mintz.com; Susan Ursel; Karen Ensslen; kplunkett@airdberlis.com; epaplawski@osler.com; kellyx@simcopak.com; stephen@simcopak.com; cfox@foxllp.ca; anil@amanimports.com; carmstrong@goodmans.ca; info@absolutelaw.ca; Namya.Tandon@gowlingwlg.com; michael.scott@fsrao.ca; elissa.sinha@fsrao.ca; jordan.solway@fsrao.ca; kenneth.kraft@dentons.com; roger.simard@dentons.com; anthony.rudman@dentons.com; dhaene@dentons.com; carlo.hizon@threebyone.com; dnaymark@naymarklaw.com; sabine.hajj@zuhairmurad.com; eblain@tgplawyers.com; malnajar@mccarthy.ca; Elizabeth Lawler; bnathan@lowenstein.com; bailey.nickel@smcalgary.com; ASachs@toryburch.com; ananthan.sinnadurai@ontario.ca; noah.zucker@nortonrosefulbright.com; elizabeth.williams@nortonrosefulbright.com; trevor.zeyl@nortonrosefulbright.com; Jack.malcolm@abtekltd.com; cshamess@wvllp.ca; bmcradu@dickinsonwright.com; alexandre.dube@loreal.com; Philippe.charette@loreal.com;

	valerie.dilena@gowlingwlg.com; martha.savoy@gowlingwlg.com; david.evans@reiss.com; Vincent.Grell@reiss.com; AHou@mintz.com; vivian.li@gov.mb.ca; tllam1@yahoo.ca; Craig.Harkness@mcmillan.ca; Adam.Maerov@mcmillan.ca; ian.winchester@fiserv.com; kodraliu@yahoo.com; vbaylis@fasken.com; aangle@torys.com; jopolsky@torys.com; jonathan.noble@bmo.com; mmarschal@mltaikins.com; jim.robinson@fticonsulting.com; scott.lyall@smcalgary.com; stanvir@mccarthy.ca; caitlin.milne@gowlingwlg.com; cameron.brunet@gowlingwlg.com; msilva@choate.com; rthide@choate.com; jsicco@litigate.com; cyung@litigate.com; bkolenda@litigate.com; mlerner@litigate.com; arad.mojtahedi@ca.dlapiper.com; joel.robertson-taylor@ca.dlapiper.com; linc.rogers@blakes.com; caitlin.mcintyre@blakes.com; gphoenix@loonix.com; Patricia-Castillo@g-star.com; August-Corver@g-star.com; mwilliams@pathlightcapital.com; SMigliero@pathlightcapital.com; spennels@pathlightcapital.com; shiksha@corestone.ca; jgrossklaus@dwpv.com; nmacparland@dwpv.com; oantle@cooley.com; cspeckhart@cooley.com; dale.davis@cooley.com; JStephanian@dwpv.com; pguaragna@millerthomson.com; LuisaR@stockwoods.ca; FredrickS@stockwoods.ca; OliviaE@stockwoods.ca; chair@mbarchives.ca; sjchoi@nadri.com; jasminj@nadri.com; lisabae@nadri.com; bankruptcylegal@lumen.com; manager@opticalvisiongroup.com; manager@opticalwarehouse.ca; cso@glassesgallery.com; jsanderson@maclawyers.ca; MDoherty@blg.com; MKremer@blg.com
Subject:	Re: CCAA Proceedings of Hudson"s Bay Company ULC Compagnie De La Baie D"Hudson SRI (Court File No. CV-25-00738613-00CL)
Date:	Friday, March 13, 2026 6:02:01 PM

TO: The Service List; Sean Zweig (Bennett Jones); Ashley Taylor (Stikeman); Brittney Ketwaroo (Stikeman)

CC: Dawa Sangyal (Accessibility Coordinator - MAG); Commercial List Clerk

SUBJECT: URGENT OBJECTION: Proposed Zoom Hearing for March 19, 2026 (CV-25-00738613-00CL)

To the Service List and the Court,

I am in receipt of the notice from Stikeman Elliott LLP regarding a motion scheduled for March 19, 2026, which the Applicants state will be held "strictly on Zoom."

I am filing a formal objection to the Zoom-only format of this hearing. As previously served upon the Monitor and the Court on February 25th and March 5th, I am a self-represented party with documented disabilities including **Autism Spectrum Disorder (ASD), ADHD, and Learning Disorders (Dyslexia)**. My right to equal participation is protected under the *Human Rights Code* and the *Accessibility for Ontarians with Disabilities Act (AODA)*.

1. Evidentiary Basis for Objection

Counsel for the Applicants previously disputed the "evidentiary record" of my needs. I have since provided the **Sullivan + Associates Psychological Assessment Report (dated June 3, 2025)**, which confirms these clinical diagnoses and the necessity for written-based communication to ensure cognitive and academic functioning.

2. Breach of Mandatory Accommodation

Forcing a "strictly Zoom" hearing without providing a written participation protocol constitutes a barrier to justice. My clinical records establish that verbal-only or real-time digital environments present significant cognitive barriers.

3. Request for Judicial Direction

As Justice Kimmel noted on February 13th, the Court must balance the rights of all parties.

Proceeding with a Zoom hearing before the **Accessibility Coordinator (Dawa Sangyal)** and the Court have finalized a written-only protocol would cause me irreparable prejudice and deny me my right to defend my **$30,000,000 Restitution Claim** and **Sovereign Birthright**.

I request that the Court provide a written direction regarding how this motion will be conducted to accommodate my documented disabilities before any Zoom links are circulated.

Respectfully,

Robert Rene Turpin

Crown Prince Robert

On Fri, Mar 13, 2026, 4:17 p.m. Brittney Ketwaroo <bketwaroo@stikeman.com> wrote:

> **To the Service List**
>
> Good Afternoon,
>
> Please find attached and served upon you in accordance with the *Rules of Civil Procedure* and the E-Service Protocol of the Commercial List, the Motion Record of the Applicants in connection with the hearing being held on **March 19, 2026, at 10:00 AM (ET)** for a motion seeking approval of a stay extension and approval of the Monitor's Reports and activities.
>
> Please note that this motion will be held strictly on zoom. We will circulate a zoom link once provided one by the Court.
>
> The attached will be uploaded to Case Centre.
>
> Thank you,
>
> **Brittney Ketwaroo (She/Her)**
>
> Direct: +1 416 869 5524
>
> Cell: +1 437 351 6192
>
> Email: bketwaroo@stikeman.com

Follow us: LinkedIn / X / stikeman.com

Stikeman Elliott LLP Barristers & Solicitors

199 Bay Street, Suite 5300, Commerce Court West, Toronto, ON M5L 1B9 Canada

APPENDIX E
Twelfth Report of the Monitor dated January 9, 2026

See attached.

Court File No. CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

Applicants

TWELFTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

JANUARY 9, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**"). The Initial Order granted a broad stay of proceedings (the

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

"**Stay of Proceedings**") in favour of the Applicants and the Monitor (among others) for an initial ten-day period (the "**Stay Period**").

1.3 As discussed in greater detail below, the Stay Period has been extended from time-to-time, including pursuant to the Amended and Restated Initial Order granted by the Court on March 21, 2025 (the "**ARIO**"), which governs the terms of the Stay of Proceedings, and most recently pursuant to an Order granted by the Court on December 11, 2025, which extended the Stay Period to March 31, 2026. The Stay of Proceedings continues to apply in favour of the Applicants and the Monitor pursuant to the terms of the ARIO. Copies of the ARIO and the December 11 Order are attached as hereto as **Appendices "A"** and **"B"**, respectively.

1.4 Since the Initial Order was granted, the Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. Given the limited scope of this Report (the "**Twelfth Report**"), it does not contain a detailed chronology of the CCAA Proceedings or the various relief granted.

1.5 As set out in greater detail below, despite repeated communications from both counsel to the Applicants and counsel to the Monitor, Glasses Gallery AI Vision Technology Inc. ("**Glasses Gallery**"), an unsecured creditor (and purported trust claimant) of the Applicants, has insisted on proceeding with a claim in Quebec against A&M, in its capacity as the Monitor of the Applicants, in clear violation of the Stay of Proceedings. As a result of Glasses Gallery's and its counsel's refusal to recognize the Stay of Proceedings or the unambiguous terms of the ARIO, the Monitor is unfortunately required to seek relief before

this Court to enforce the Stay of Proceedings. This Twelfth Report is filed solely in support of the Monitor's within motion (the "**Motion**"), which is brought before this Court in response to Glasses Gallery's claim.

1.6 Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor and all endorsements and orders made by the Court, are available on the Monitor's case website at: www.alvarezandmarsal.com/HudsonsBay.

Purpose of this Report

1.7 The purpose of this Twelfth Report is solely to provide the Court with the relevant background and basis for the Monitor bringing this Motion seeking an Order (the "**Stay Confirmation Order**"):

(a) declaring that the Stay of Proceedings applies to the Quebec Proceedings (as defined below) and that Glasses Gallery shall not commence or continue any related claim against the Applicants or the Monitor in accordance with the terms of the ARIO, (i.e., without leave of the Court or the written consent of the Applicants and the Monitor); and

(b) directing Glasses Gallery to forthwith withdraw the Quebec Proceedings, and in any event no later than 3 business days from the date of the Order, and provide the Monitor and the Applicants with evidence of such withdrawal immediately thereafter.

2.0 BACKGROUND ON QUEBEC PROCEEDINGS[2]

2.1 The following is a summary of the lead-up to the Quebec Proceedings, including the Monitor's communications with Glasses Gallery. As noted below, the Monitor only became aware of the Quebec Proceedings on December 16, 2025,[3] and together with the Applicants, has since made significant efforts to resolve these issues without the need to appear before this Court.

Initial Communications

2.2 Glasses Gallery was listed as a creditor on the initial list of creditors owed over $1,000 by the Applicants (the "**Initial Creditor List**"). The creditors on the Initial Creditor List received notice of the CCAA Proceedings in the form prescribed by the CCAA by way of a mailing sent on March 11, 2025 (the "**Notice to Creditors**"). The Notice to Creditors, among other things, advised creditors of the Stay of Proceedings. Glasses Gallery acknowledges that it received the initial notice to creditors. A copy of the Notice of Creditors is attached hereto as **Appendix "C"**.

2.3 On March 21, 2025, the Monitor received a physical copy of a letter dated March 20, 2025 (the "**March 20 Letter**") from François Daigle ("**Mr. Daigle**") of Daigle & Matte, Avocats Fiscalistes Inc. ("**Daigle & Matte**"), on behalf of Glasses Gallery. The March 20 Letter, which was provided in both French and English, was also sent to the Monitor's general

[2] Certain of the Court documents and correspondence between counsel referenced in this section is in French. Where so indicated, the Monitor has included unofficial translations of these materials into English, which it obtained using DeepL Translate. These translations were reviewed for accuracy and, where necessary, updated by bilingual counsel from Bennett Jones LLP's Montreal office.

[3] As discussed further below, the Monitor was subsequently made aware that court materials had been delivered to an A&M receptionist on July 16, 2025, however it was not delivered to a member of the Monitor's team.

email inbox for the CCAA Proceedings. Among other things, Daigle & Matte: (a) asserted that the Monitor was holding a total of $77,991.70 on behalf of Glasses Gallery and that "these sums never became part of HBC's estate" and must be returned in their entirety; and (b) threatened to "take the necessary steps to collect these sums without further notice or delay" if the amounts were not repaid within ten days. A copy of the March 20 Letter is attached hereto as **Appendix "D"**.

2.4 On March 21, 2025, the Monitor replied by email to Daigle & Matte to arrange a time to discuss the March 20 Letter. Mr. Daigle replied that he was available after 4:00 p.m. EST on Monday, March 24, 2025. The Monitor replied the following day to ask for confirmation that Mr. Daigle was available at 4:30 p.m. so that multiple team members could join the call. Mr. Daigle did not respond to this email. A copy of this email correspondence is attached hereto as **Appendix "E"**.

2.5 On April 16, 2025, Mr. Daigle emailed the Monitor to state that the Monitor's email had been caught in his "junk" folder. The Monitor responded on the same day to indicate that a calendar invite would be circulated for Tuesday, April 22, 2025, at 4:30 p.m. EDT. A copy of this email correspondence is attached hereto as **Appendix "F"**.

2.6 Mr. Daigle did not attend that call, but an associate of Daigle & Matte attended in his place. Representatives of the Monitor spoke with Mr. Daigle's associate, and advised him, among other things, that the Monitor and Applicants were of the view that no funds were held in trust for Glasses Gallery, and that in any event, the Stay of Proceedings prohibited Glasses Gallery from taking any enforcement steps or commencing any proceedings in connection therewith.

Quebec Proceedings and Subsequent Communications

2.7 On December 16, 2025, the Monitor received a physical copy of the following French-language court documents filed before the Court of Quebec, District of Trois-Rivières (the "**Court of Quebec**"), each bearing the style of cause "*Glasses Gallery AI Vision Technology Inc. c. Alvarez & Marsal Canada Inc. en sa qualité de contrôleur de Compagnie de la Baie D'Hudson SRI – No: 400-22-011943-251*" (in English, "Glasses Gallery AI Vision Technology Inc. v. Alvarez & Marsal Canada Inc., in its capacity as monitor of Hudson's Bay Company ULC"):

(a) the *Demande introductive d'instance […] en recouvrement de derniers modifiée en date du 15 décembre 2025* (in English, an Originating Application for Recovery of Funds modified on December 15, 2025) (the "**Modified Originating Application**"); and

(b) the *Demande du renvoi du dossier par la demanderesse (changement de juridiction)* (in English, the Application by the Plaintiff to Transfer the Case (Change of Jurisdiction)) (the "**Application for Transfer**", and collectively with the Modified Originating Application, the "**Quebec Proceedings**").

2.8 The Quebec Proceedings list Daigle & Matte as counsel to Glasses Gallery.

2.9 Notwithstanding that Glasses Gallery had email contact information for several representatives of the Monitor, along with the Monitor's general case email, and that it could easily have accessed contact details for the Monitor's counsel, the Quebec

Proceedings were served only by hard copy to a receptionist at A&M, and were not provided by email to the Monitor or at all to the Monitor's counsel.

2.10 In the Modified Originating Application, Glasses Gallery baldly and incorrectly asserts that A&M, as Monitor, manages Hudson's Bay. Similar to the March 20 Letter, which was responded to by the Monitor on the April 22 call, Glasses Gallery continues to argue in the Modified Originating Application, among other things, that: (a) Glasses Gallery is owed $77,991.70; (b) these funds were collected in trust for Glasses' Gallery's benefit; (c) these funds do not belong to Hudson's Bay; and (d) the Stay of Proceedings therefore does not apply to the claim plead in the Modified Originating Application.[4] Glasses Gallery seeks a finding that it is the owner of the disputed funds and that the Stay of Proceedings does not apply, and an Order that the defendant pay such funds to Glasses Gallery.

2.11 In the Application for Transfer, Glasses Gallery seeks to transfer the hearing of the Modified Originating Application from the Court of Quebec to the Superior Court of Quebec. The Application for Transfer also indicated that a hearing would take place before the Court of Quebec on January 7, 2026, at 9:30 a.m. (the "**January 7th Hearing**").

2.12 A copy of the Quebec Proceedings is attached hereto as **Appendix "G"**, and an English translation of the Quebec Proceedings is attached hereto as **Appendix "H"**.

2.13 Following receipt on December 16, 2025, the Monitor promptly forwarded the Quebec Proceedings to its counsel, along with counsel to the Applicants. Following discussions between the Monitor, its counsel, and the Applicants' counsel, the Applicants' counsel sent

[4] The Modified Originating Application references several exhibits – despite requests from counsel to the Monitor, those exhibits have not been provided by Daigle & Matte.

a letter in French by email to Daigle & Matte on December 23, 2025 (the "**December 23 Letter**"). In the December 23 Letter, counsel to the Applicants, among other things:

(a) informed Glasses Gallery that the ARIO does not provide an exception that allows Glasses Gallery to bring its claim and that the Stay of Proceedings applies to the Quebec Proceedings;

(b) noted that the Monitor does not control or manage the Applicants or control the Property of the Applicants;

(c) provided the Applicants' position that Hudson's Bay did not and does not hold proceeds in trust for Glasses Gallery; and

(d) requested Daigle & Matte confirm by no later than December 29, 2025, that the Quebec Proceedings would be withdrawn, and reserved all rights for the Applicants to seek relief from this Court and to recover any costs incurred in connection with seeking such relief to the extent the Quebec Proceedings were not withdrawn.

2.14 A copy of the December 23 Letter is attached hereto as **Appendix "I"**, and an English translation of the December 23 Letter is attached hereto as **Appendix "J"**. The Monitor understands that the Applicants' counsel has not received a response to the December 23 Letter.

2.15 The day after the Applicants' deadline to respond had passed, counsel to the Monitor (from counsel's Toronto office) called Daigle & Matte on December 30, 2025, and left a voicemail requesting to speak about the Quebec Proceedings. Counsel to the Monitor also

subsequently emailed Mr. Daigle on December 31, 2025, again requesting to speak on an urgent basis. None of these communications were answered.

2.16 On January 5, 2026, counsel to the Monitor (from counsel's Montreal office) sent a letter, written in French, by email to Daigle & Matte (the "**January 5 Letter**"). In the January 5 Letter, counsel to the Monitor, among other things:

(a) noted that A&M only received service of the Modified Originating Application, and not the originating unmodified application;

(b) stated that the delay for A&M to file an Answer before the Court of Quebec had not, and would not, expire prior to the January 7th Hearing;

(c) reiterated that:

(i) the Stay of Proceedings applies to the Quebec Proceedings (and that neither the Applicants nor the Monitor had consented to the Quebec Proceedings), and that the CCAA, as federal legislation, had nationwide effect;

(ii) in accordance with the well-known single-proceeding model, any litigation in respect of the Applicants and their business or assets would need to be brought before this Court; and

(iii) the Monitor does not manage the Applicants, and is not the proper party to be named in any claim by Glasses Gallery;

(d) notified Daigle & Matte that counsel to the Monitor intended to attend the January 7th Hearing before the Court of Quebec; and

(e) advised that if Glasses Gallery did not withdraw the Quebec Proceedings, the Applicants or the Monitor may seek costs against Glasses Gallery, Daigle & Matte, and Mr. Daigle personally before this Court.

2.17 A copy of the January 5 Letter is attached hereto as **Appendix "K"**, and an English Translation of the January 5 Letter is attached hereto as **Appendix "L"**.

2.18 Counsel to the Monitor (from counsel's Montreal office) called Daigle & Matte on the afternoon of January 5 and left another voicemail requesting to speak about the Quebec Proceedings. That voicemail was not returned.

2.19 On January 6, 2026, Mr. Daigle sent an email to counsel to the Monitor (the "**January 6 Email**"). The January 6 Email was marked as privileged and without prejudice, and is therefore not included herein. Two factual points arising from the January 6 Email are discussed below.

2.20 In the January 6 Email, Mr. Daigle pointed out that the Daigle & Matte had served a receptionist at A&M on July 16, 2025, with a physical copy of the originating application (the "**Originating Application**"), and attached proof of service. The Monitor does not dispute that service of the Originating Application, which it understands is a court document written wholly in French, occurred. Based on discussions that have since occurred, the Monitor believes that the Originating Application was received by A&M's general receptionist and provided to another receptionist, who is no longer employed by A&M. However, it appears that the Originating Application was not provided to any employees of A&M involved in the CCAA Proceedings.

2.21 Mr. Daigle also noted that certain hearings had already occurred before the Court of Quebec. The Monitor understands that Daigle & Matte had attended an initial hearing that was adjourned by the Court of Quebec.

2.22 Mr. Daigle did not withdraw the Quebec Proceedings before the January 7th Hearing, but agreed on the evening of January 6, 2026, to attend and consent to a one-month adjournment. On the evening of January 6, 2026, counsel to the Monitor filed an Answer indicating, among other things, that Bennett Jones LLP represents A&M in connection with the Quebec Proceedings, and indicating that the Monitor contested the jurisdiction of the Court of Quebec and the Superior Court of Quebec to hear the matter given the CCAA Proceedings and the Stay of Proceedings. A copy of the Answer is attached hereto as **Appendix "M"**, and an English translation is attached hereto as **Appendix "N"**.

Attendance Before the Court of Quebec

2.23 Counsel to the Monitor attended before the Court of Quebec on January 7, 2026. With the consent of Glasses Gallery, the hearing in respect of the relief sought in the Application for Transfer was adjourned to February 4, 2026.

3.0 STAY CONFIRMATION ORDER

3.1 As demonstrated above, the Monitor and the Applicants, once made aware of the Quebec proceedings, immediately made significant efforts to engage with Daigle & Matte, on behalf of its client, in a reasonable and constructive manner, without resorting to a motion before this Court. Unfortunately, as a result of Daigle & Matte's refusal to recognize the jurisdiction of this Court and the unambiguous provisions of the ARIO, and in light of its

stated intention to continue litigation in Quebec in clear contravention of the Stay of Proceedings, the Monitor is of the view that the relief sought in the Stay Confirmation Order is necessary in the circumstances. Because the Monitor is named as the defendant in the Quebec Proceedings, the Monitor is the appropriate party to bring the Motion.

3.2 The Stay Confirmation Order would declare that the Quebec Proceedings are subject to the Stay of Proceedings, and provide that, in accordance with the terms of the ARIO, no "Proceeding" (as defined in the ARIO) shall be commenced or continued by Glasses Gallery against or in respect of the Monitor or the Applicants, or their respective employees, directors, advisors, officers and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court.

3.3 All of this is self-evident from the plain language of the ARIO. The Stay of Proceedings prevents any enforcement actions from being taken against the Applicants or their assets, including all funds held by the Applicants. Further, in the absence of the Applicants and the Monitor providing their consent, this Court (and only this Court) has the jurisdiction to lift the Stay of Proceedings to allow proceedings to be commenced against the Applicants or the Monitor. However, because Daigle & Matte insists on continuing to advance the Quebec Proceedings in violation of the ARIO, the Monitor is of the view that this declaration is necessary to ensure that the Quebec Proceedings, and any related claims by Glasses Gallery, do not proceed.

3.4 Given Daigle & Matte's refusal to recognize the Stay of Proceedings and demonstrated willingness to proceed with its litigation, the Stay Confirmation Order would also require

Glasses Gallery to withdraw the Quebec Proceedings no later than 3 business days from the date of such Order. The withdrawal of the Quebec Proceedings is particularly necessary given that it **improperly** names the Monitor as a defendant – for clarity, the Monitor does not, and has never, itself held **any** funds related to Glasses Gallery, nor does it manage the Applicants.

3.5 To allow the Quebec Proceedings to continue would allow a creditor to circumvent the Stay of Proceedings and run contrary to a key feature of the CCAA. Glasses Gallery can not be allowed to attempt to recover funds from the Applicants (which have been erroneously pleaded as being held by the Monitor) at the expense of all of its stakeholders, pursuant to proceedings supervised by another court. It is in the best interests of the Applicants and their stakeholders that the Stay of Proceedings be upheld and the Quebec Proceedings be withdrawn.

3.6 To the extent Glasses Gallery wishes to pursue a trust claim against the Applicants for any funds that were allegedly required to be held by the Applicants, or any other claim against the business or assets of the Applicants, it must bring a motion to lift the Stay of Proceedings before this Court or obtain the consent of the Applicants and the Monitor. The Monitor notes that it has not provided a view herein on the merits of any alleged trust claim by Glasses Gallery, as it is not necessary or appropriate to do so at this time. The Monitor can provide such a view if and when any motion to lift the Stay of Proceedings in connection with such a claim is properly brought before this Court.

3.7 The Monitor continues to reserve all rights to seek costs against Glasses Gallery, Daigle & Matte, and Mr. Daigle in connection with the Motion.

4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 For the reasons set out in this Twelfth Report, the Monitor believes that the Stay Confirmation Order is necessary, appropriate, and in the best interests of the Applicants and their stakeholders. The Monitor therefore respectfully recommends that this Court grant the Stay Confirmation Order.

All of which is respectfully submitted to the Court this 9th day of January, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Senior Vice-President

APPENDIX F
Supplement to the Twelfth Report of the Monitor dated January 14, 2026

See attached.

Court File No. CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

Applicants

SUPPLEMENT TO THE TWELFTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

JANUARY 14, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**"). The Initial Order granted a broad stay of proceedings (the

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

"**Stay of Proceedings**") in favour of the Applicants and the Monitor (among others) for an initial ten-day period (the "**Stay Period**").

1.3 The Stay Period has been extended from time-to-time, including pursuant to the Amended and Restated Initial Order granted by the Court on March 21, 2025 (the "**ARIO**"), which governs the terms of the Stay of Proceedings, and most recently pursuant to an Order granted by the Court on December 11, 2025, which extended the Stay Period to March 31, 2026.

1.4 On January 9, 2026, the Monitor filed a motion record (the "**Motion Record**"), including its Twelfth Report of the same date (the "**Twelfth Report**"). As described in greater detail therein, despite repeated communications from both counsel to the Applicants and counsel to the Monitor, Glasses Gallery AI Vision Technology Inc. ("**Glasses Gallery**"), an unsecured creditor (and alleged trust claimant) of the Applicants, has insisted on proceeding with a claim in Quebec against A&M, in its capacity as the Monitor of the Applicants, in clear violation of the Stay of Proceedings. The Twelfth Report provided the Monitor's basis for seeking an Order (the "**Stay Confirmation Order**"), among other things:

(a) declaring that the Stay of Proceedings applies to the Quebec Proceedings (as defined therein) and that Glasses Gallery shall not commence or continue any related claim against the Applicants or the Monitor in accordance with the terms of the ARIO, (i.e., without leave of the Court or the written consent of the Applicants and the Monitor); and

(b) directing Glasses Gallery to forthwith withdraw the Quebec Proceedings, and in any event no later than 3 business days from the date of the Order, and provide the Monitor and the Applicants with evidence of such withdrawal immediately thereafter.

1.5 This Report (the "**Supplemental Report**") is a supplement to the Twelfth Report, and should be read in conjunction therewith. A copy of the Twelfth Report, without appendices, is attached hereto as **Appendix "A"**. Capitalized terms used herein and not otherwise defined have the meanings ascribed in the Twelfth Report.

Purpose of this Supplemental Report

1.6 The purpose of this Supplemental Report is to update the Court regarding further developments with respect to the Quebec Proceedings, and to reiterate the Monitor's respectful request that this Court grant the Stay Confirmation Order.

2.0 AMENDMENTS TO QUEBEC PROCEEDINGS

2.1 The Monitor's counsel served the Twelfth Report on January 9, 2026, on the service list for the CCAA Proceedings, which was updated to include counsel at Daigle & Matte (including Mr. Daigle).

2.2 On January 12, 2026, the Monitor's counsel spoke with Mr. Daigle to, among other things: (a) confirm that Daigle & Matte had received service of the Monitor's Motion Record; (b) reiterate that the Monitor was improperly named in the Quebec Proceedings, that the Stay of Proceedings applied, and that the Monitor intended to proceed with its Motion on January 16, 2026, and would seek costs if successful; and (c) ask whether Glasses Gallery was prepared to withdraw the Quebec Proceedings. Mr. Daigle confirmed that the

Monitor's Motion Record was received, however declined to withdraw the Quebec Proceedings.

2.3 At 4:04 p.m. (EDT) on January 13, 2026, counsel from the Monitor's Montreal office received electronic service from Daigle & Matte, on behalf of Glasses Gallery, of a "*Demande introductive d'instance […] en recouvrement de derniers modifiée en date du 13 janvier 2026*" (in English, an "Originating Application for Recovery of Funds modified on January 13, 2026") (the "**Further Modified Originating Application**"). The Further Modified Originating Application, among other things, modifies the Quebec Proceedings to add Hudson's Bay as a defendant, while continuing to include the Monitor as a defendant. As now amended, the Quebec Proceedings seek $77,991.70 against both Hudson's Bay and the Monitor (individually, and not on a joint and several basis), while also seeking costs against the Monitor. A copy of the Further Modified Originating Application is attached hereto as **Appendix "B"**, and an English translation of same is attached hereto as **Appendix "C"**.[2]

2.4 Consent was not obtained from the Monitor or the Applicants to bring proceedings against Hudson's Bay, nor was leave from this Court obtained. The Further Modified Originating Application therefore constitutes an additional violation of the Stay of Proceedings.

2.5 These latest developments reinforce the need for the Stay Confirmation Order. Glasses Gallery and Daigle & Matte have demonstrated their intention to advance and expand the Quebec Proceedings in clear violation of the Orders granted by this Court. To allow these

[2] The Monitor's counsel obtained this translation using DeepL Translate, and this translation was reviewed for accuracy and, where necessary, updated by bilingual counsel from Bennett Jones LLP's Montreal office.

proceedings to continue would prejudice the Applicants' stakeholders, undermine the authority of this Court, and defeat a key purpose of the CCAA. The Monitor therefore continues to be of the view that it is in the best interests of the Applicants and their stakeholders that the Stay of Proceedings be upheld and the Quebec Proceedings be withdrawn.

3.0 CONCLUSIONS AND RECOMMENDATIONS

3.1 For the reasons set out in this Supplemental Report, the Monitor continues to respectfully recommend that this Court grant the Stay Confirmation Order.

All of which is respectfully submitted to the Court this 14th day of January, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Senior Vice-President

APPENDIX G
Second Supplement to the Twelfth Report of the Monitor dated January 26, 2026

See attached.

Court File No. CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

Applicants

SECOND SUPPLEMENT TO THE TWELFTH REPORT OF THE MONITOR ALVAREZ & MARSAL CANADA INC.

JANUARY 26, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**"). The Initial Order granted a broad stay of proceedings (the

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

"**Stay of Proceedings**") in favour of the Applicants and the Monitor (among others) for an initial ten-day period (the "**Stay Period**").

1.3 The Stay Period has been extended from time-to-time, including pursuant to the Amended and Restated Initial Order granted by the Court on March 21, 2025 (the "**ARIO**"), which governs the terms of the Stay of Proceedings, and most recently pursuant to an Order granted by the Court on December 11, 2025, which extended the Stay Period to March 31, 2026.

1.4 On January 9, 2026, the Monitor filed a motion record (the "**Motion Record**"), including its Twelfth Report of the same date (the "**Twelfth Report**"). As described in greater detail therein, despite repeated communications from both counsel to the Applicants and counsel to the Monitor, Glasses Gallery AI Vision Technology Inc. ("**Glasses Gallery**"), an unsecured creditor (and alleged trust claimant) of the Applicants, has insisted on proceeding with a claim in Quebec against A&M, in its capacity as the Monitor of the Applicants, in clear violation of the Stay of Proceedings. The Twelfth Report provided the Monitor's basis for seeking an Order (the "**Stay Confirmation Order**"), among other things:

(a) declaring that the Stay of Proceedings applies to the Quebec Proceedings (as defined therein) and that Glasses Gallery shall not commence or continue any related claim against the Applicants or the Monitor in accordance with the terms of the ARIO (i.e., without leave of the Court or the written consent of the Applicants and the Monitor); and

(b) directing Glasses Gallery to forthwith withdraw the Quebec Proceedings, and in any event no later than 3 business days from the date of the Order, and provide the Monitor and the Applicants with evidence of such withdrawal immediately thereafter.

1.5 On January 14, 2026, the Monitor filed a supplement to the Twelfth Report (the "**Supplemental Report**"), among other things, providing an update on further actions undertaken in violation of the Stay of Proceedings by Glasses Gallery. A copy of the Twelfth Report, without appendices, is attached hereto as **Appendix "A"**, and a copy of the Supplemental Report, without appendices, is attached hereto as **Appendix "B"**.

1.6 The hearing of the Motion took place on January 16, 2026 (the "**January 16 Hearing**"). At the January 16 Hearing, counsel to the Monitor advised the Court that counsel of record for Glasses Gallery, Daigle & Matte, Avocats Fiscalistes Inc. ("**Daigle & Matte**"), had requested on behalf of Glasses Gallery that the Motion be adjourned because Daigle & Matte did not represent Glasses Gallery in this proceeding and that Glasses Gallery was in the process of retaining counsel in Ontario. After considering various options proposed by counsel to the Monitor, the Court issued an endorsement (the "**January 16th Endorsement**"), among other things:

(a) adjourning the hearing of the Motion to January 27, 2026 at 11:00 a.m. (the "**January 27 Hearing**");

(b) imposing a deadline for the service of any responding material by Glasses Gallery of January 22 at 2:30 p.m., and a deadline for the service of any reply from the Monitor of January 26 at 12:00 p.m. (the "**Timetable**"); and

(c) directing that Glasses Gallery not take any further action or step against the Applicants or the Monitor in any proceedings, including any action or step to advance the Quebec Proceedings, pending a determination by the Court of the Motion following the January 27 Hearing.

1.7 A copy of the January 16 Endorsement is attached hereto as **Appendix "C"**.

1.8 This Report (the "**Second Supplemental Report**") is a further supplement to the Twelfth Report. Capitalized terms used herein and not otherwise defined have the meanings ascribed in the Twelfth Report.

Purpose of this Second Supplemental Report

1.9 The purpose of this Second Supplemental Report is to update the Court regarding further developments with respect to the Motion, and to reiterate the Monitor's respectful request that this Court grant the Stay Confirmation Order.

2.0 UPDATE

2.1 Following the January 16 Hearing, but prior to the issuance of the January 16 Endorsement, counsel to the Monitor emailed Daigle & Matte and advised of the adjournment and the Timetable that had been set for responding materials to be filed. Later that same day, counsel to the Monitor sent a copy of the January 16 Endorsement to the Service List, which included email addresses for Daigle & Matte and Glasses Gallery. No response to these emails was received from Daigle & Matte or Glasses Gallery.

2.2 On January 19, 2026, counsel to the Monitor sent a letter via courier to Glasses Gallery with a copy of the January 16 Endorsement enclosed (the "**January 19 Letter**"). A copy of the January 19 Letter and corresponding courier delivery slip confirming receipt are attached hereto as **Appendix "D"**.

2.3 Notwithstanding the requirement under the Timetable that Glasses Gallery file any responding materials no later than January 22 at 2:30 p.m., Glasses Gallery has not filed any responding material. In fact, the Monitor has not received any communication from or on behalf of Glasses Gallery or Daigle & Matte since January 15, 2026, and to the Monitor's knowledge, Glasses Gallery has not retained Ontario counsel.

3.0 CONCLUSIONS AND RECOMMENDATIONS

3.1 For the reasons set out in this Second Supplemental Report, the Monitor continues to respectfully recommend that this Court grant the Stay Confirmation Order.

All of which is respectfully submitted to the Court this 26th day of January, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Senior Vice-President

APPENDIX H
Thirteenth Report of the Monitor dated February 9, 2026

See attached.

Court File No. CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

Applicants

THIRTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

FEBRUARY 9, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025 (the "**Filing Date**"), 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**").

1.3 Since the Initial Order was granted, the Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. This Report (the "**Thirteenth Report**") does not contain a detailed chronology of these proceedings or the various relief granted. Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor and all endorsements and orders made by the Court, are available on the Monitor's case website at: www.alvarezandmarsal.com/HudsonsBay (the "**Case Website**").

Employee Representative Counsel

1.4 At a hearing before the Court on April 24, 2025, the Applicants sought various relief, including an Order, among other things: (a) appointing Ursel Phillips Fellows Hopkinson LLP ("**Ursel Phillips**") as representative counsel ("**Employee Representative Counsel**") for the Represented Employees (as defined therein); and (b) amending the Administration Charge granted in the Initial Order to include the proposed Employee Representative Counsel.

1.5 At the conclusion of that hearing, at which certain opposition was raised, the Court dismissed the Applicants' motion and the competing cross motion with respect to the competing requests to appoint employee representative counsel, and appointed the Honourable Wilton-Siegel as independent third party (the "**ITP**") to evaluate the representative counsel proposals and make a recommendation to the Court.

1.6 On May 5, 2025, the Court issued an endorsement accepting the recommendation of the ITP and appointing Ursel Phillips as Employee Representative Counsel, and an Order of the same date (the "**Employee Representative Counsel Order**") setting out Employee Representative Counsel's powers and protections was subsequently granted by the Court. Ursel Phillips has served as Employee Representative Counsel in these proceedings since the date of the Employee Representative Counsel Order.

Hardship Programs Motion

1.7 On February 4, 2026, Employee Representative Counsel, on behalf of the Represented Employees, served a motion record in support of a motion returnable February 11, 2026 (the "**Hardship Programs Motion**"), including an affidavit of the same date sworn by Rita De Fazio (the "**De Fazio Affidavit**"). Pursuant to the Hardship Programs Motion, the Represented Employees, as represented by Employee Representative Counsel, are seeking an Order (the "**Hardship Programs Order**"), among other things:

(a) approving the term sheet dated February 3, 2026 (the "**Hardship Programs Term Sheet**") between the Company and Employee Representative Counsel, and acknowledged and agreed to by the Monitor, the FILO Agent (as defined below), the trustees of the Zellers Limited Health and Welfare Trust (the "**Trust**", and those trustees, the "**Trustees**"), and the Manufacturers Life Insurance Company ("**Manulife**");

(b) authorizing and directing the Applicants, Employee Representative Counsel, the Trustees, the Monitor, Manulife, the Bank of Nova Scotia and certain of its affiliates (collectively, "**ScotiaWealth**"), and the Hardship Committee (as defined below) to

take such additional steps and execute such additional documents as may be necessary or desirable to implement the Hardship Programs (as defined below), and authorizing various specific actions contemplated under the Hardship Programs Term Sheet;

(c) granting certain releases in favour of the Trustees, Employee Representative Counsel, the Applicants, the Monitor, Manulife, ScotiaWealth, and the Hardship Committee; and

(d) sealing Confidential Exhibit "A" and Confidential Exhibit "B" to the De Fazio Affidavit pending further Order of the Court.

Purpose of this Report

1.8 The purpose of this Thirteenth Report is to provide the Court with information and, where applicable, the Monitor's views on:

(a) various case updates, including updates on:

(i) the costs submissions made by various parties in connection with the October 24 Decision (as defined below);

(ii) the Quebec Proceedings (as defined below);

(iii) the Art Collection Auction and the Charter Transaction (each as defined below);

(iv) the removal of FF&E and signage from former Hudson's Bay Canada locations;

(v) the proceedings commenced by Saks Global (as defined below) under Chapter 11 of the United States Bankruptcy Code ("**Chapter 11**", and those proceedings, the "**Saks Global Chapter 11 Proceedings**"); and

(vi) various correspondence with an individual asserting an ownership interest over certain assets held (or formerly held) by the Applicants;

(b) the Hardship Programs Order;

(c) the Applicants' cash flow results relative to forecast;

(d) the activities of the Monitor since its Eleventh Report dated December 8, 2025 (the "**Eleventh Report**"); and

(e) the Monitor's conclusions and recommendations in connection with the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Thirteenth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including senior management of, and advisors to, the Applicants (collectively, the "**Information**"). Except as otherwise described in this Thirteenth Report, in respect of the Applicants' cash flow forecast:

(a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor 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 (the "**CAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and

(b) some of the information referred to in this Thirteenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Thirteenth Report was prepared based on the estimates and assumptions of the Applicants. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections and even if the assumptions materialize, the variations could be significant.

2.3 This Thirteenth Report should be read in conjunction with the De Fazio Affidavit. Capitalized terms used and not defined in this Thirteenth Report have the meanings ascribed to them in the De Fazio Affidavit.

2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 CASE UPDATES

3.1 The following is a summary of relevant updates with respect to various ongoing matters in the CCAA Proceedings.

Costs Submissions for the October 24 Decision[2]

3.2 As noted in the Eleventh Report, on October 24, 2025, the Court issued its decision (the "**October 24 Decision**") in respect of the Central Walk Approval Motion and the FILO Motion (each as defined in the Eleventh Report). As discussed in greater detail therein, following a further endorsement by the Court on November 3, 2025, the Monitor proposed a schedule for the exchange of written costs submissions in connection with those motions. The Applicants, the Opposing Landlords, Restore Capital, LLC (the "**FILO Agent**"), and Pathlight Capital LLC ("**Pathlight**") exchanged costs submissions in accordance with that schedule, with the final submissions being delivered on December 17, 2025.

3.3 Following correspondence between the Court office and the Monitor's counsel, the written costs submissions were provided directly to the Court and uploaded to Case Center. To date, no decision has been issued by the Court in respect of these submissions.

The Quebec Proceedings[3]

3.4 As discussed in greater detail in the Monitor's Twelfth Report dated January 9, 2026, and the two supplements thereto, in the course of these CCAA Proceedings, Glasses Gallery, an unsecured creditor of the Applicants, initiated various litigation proceedings in Quebec, originally against the Monitor and later against both the Monitor and the Applicants (collectively, the "**Quebec Proceedings**"). Despite several communications from the Applicants and the Monitor that the Quebec Proceedings were in clear violation of the Stay

[2] Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Monitor's Eighth Report dated August 20, 2025.

[3] Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Monitor's Twelfth Report dated January 9, 2026.

of Proceedings, Glasses Gallery refused to withdraw the Quebec Proceedings and continued to take steps to advance and expand those proceedings.

3.5 As such, the Monitor brought a motion before this Court seeking an Order (the "**Stay Confirmation Order**"), among other things:

(a) declaring that the Stay of Proceedings applies to the Quebec Proceedings and that Glasses Gallery shall not commence or continue any related claim against the Applicants or the Monitor in accordance with the terms of the ARIO (i.e., without leave of the Court or the written consent of the Applicants and the Monitor); and

(b) directing Glasses Gallery to forthwith withdraw the Quebec Proceedings, and in any event no later than 3 business days from the date of the Stay Confirmation Order, and to provide the Monitor and the Applicants with evidence of such withdrawal immediately thereafter.

3.6 The hearing took place on January 16, 2026 (the "**January 16 Hearing**"). At the January 16 Hearing, counsel to the Monitor advised the Court that counsel of record for Glasses Gallery, Daigle & Matte, Avocats Fiscalistes Inc. ("**Daigle & Matte**"), had requested on behalf of Glasses Gallery that the Motion be adjourned because Daigle & Matte did not represent Glasses Gallery in the CCAA Proceedings. After considering various options proposed by counsel to the Monitor, the Court issued an endorsement, among other things:

(a) adjourning the hearing of the Motion to January 27, 2026, at 11:00 a.m. (the "**January 27 Hearing**");

(b) imposing a deadline for the service of any responding material by Glasses Gallery of January 22, 2026, at 2:30 p.m., and a deadline for the service of any reply from the Monitor of January 26, 2026, at 12:00 p.m.; and

(c) directing that Glasses Gallery not take any further action or step against the Applicants or the Monitor in any proceedings, including any action or step to advance the Quebec Proceedings, pending a determination by the Court of the Motion following the January 27 Hearing.

3.7 Glasses Gallery ultimately did not file any materials or attend the January 27 Hearing. At that hearing, the Court granted an Order (the "**Revised Stay Confirmation Order**") revising the form of Stay Confirmation Order originally sought by the Monitor. At the Court's direction, that Revised Stay Confirmation Order did not require the Quebec Proceedings to be withdrawn, but instead provided that the Monitor and the Applicants could file written costs submissions in respect of the matter if the Quebec Proceedings were not withdrawn within 3 business days of January 27. The Revised Stay Confirmation Order and the Court's related endorsement are attached hereto as **Appendices "A"** and **"B"**, respectively.

3.8 Glasses Gallery withdrew the Quebec Proceedings on January 28, 2026.

Art Collection Auction[4]

3.9 As described in the Eleventh Report, the Art Collection Auction Procedures were approved by the Court on September 25, 2025. The Art Auction Process Order, among other things,

[4] Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Eleventh Report.

authorized the sale of the Art Collection at a series of auctions and the vesting of items sold at the auctions in the purchasers free and clear of all claims and encumbrances. As noted in the Monitor's Ninth Report dated September 22, 2025, the Company identified certain artifacts in the Art Collection that are believed to be of Indigenous origin, potentially of Indigenous origin, or uniquely representative of Indigenous culture. Those items were not included in the Art Collection Auction. The Monitor understands that these items have been, or are in the process of being, returned to the relevant communities or donated to public institutions.

3.10 As discussed in the Eleventh Report, the live auction ("**Live Auction**") held on November 19, 2025, was highly successful and achieved an aggregate hammer price[5] of approximately $4.9 million. The online auction and sale of the remaining items in the Art Collection is being conducted in batches. The sale of the first batch of items sold in the online auction ("**First Online Auction**") closed on December 4, 2025, and achieved an aggregate hammer price of approximately $2.5 million. The sale of the second batch of items in the online auction closed on January 27, 2026, and achieved an aggregate hammer price of approximately $445,000 (which remains subject to final reconciliation and collection from buyers).

3.11 The third and fourth online auctions are scheduled to be held during the period February 10 to 19, and March 10 to 19, 2026, respectively. Beyond these, additional online auctions have not yet been scheduled; however, it is currently anticipated that there will be two

[5] Hammer price is exclusive of sales taxes and fees paid to the auctioneer.

additional online auctions after the fourth auction. The Monitor will continue to provide updates to the Court on the results of the online auctions.

Closing of the Charter Transaction

3.12 On December 11, 2025, following a motion by the Applicants, this Court granted an approval and vesting Order (the "**Charter AVO**"), among other things, approving the sale of the Royal Charter of 1670 (the "**Royal Charter**") to Wittington Investments, Limited and DKRT Family Corp. (collectively, the "**Purchasers**"), and vesting the Charter in the Purchasers free and clear of, among other things, all claims, security interests, encumbrances and ownership claims, subject to the obligation to immediately donate the Charter to four public institutions (the Archives of Manitoba, the Manitoba Museum, the Canadian Museum of History, and the Royal Ontario Museum).

3.13 The transactions contemplated by the Charter AVO (the "**Charter Transaction**") closed on December 19, 2025, and the Charter was immediately donated to the identified public institutions. As discussed further below, and as contemplated by the Stay Extension and Distribution Order granted by this Court on May 13, 2025 (the "**Stay Extension and Distribution Order**"), the proceeds received in connection therewith were distributed to the FILO Agent on December 23, 2025.

Wage Earner Protection Program

3.14 On June 3, 2025, this Court granted an Order recognizing that the Applicants met the criteria under section 3.2 of the *Wage Earner Protection Program Regulations* effective

June 21, 2025, pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*.

3.15 As described in the Eleventh Report, substantially all Trustee Information Forms had been submitted by the Monitor to Service Canada as of December 8, 2025. Former employees had until December 26, 2025, to submit their Wage Earner Protection Program ("**WEPP**") applications to Service Canada.

3.16 As of the date of this Report, approximately 6,400 WEPP applications have been submitted by former employees to Service Canada, all of which have been reviewed by Service Canada.

3.17 The Monitor continues to work closely with the Applicants, Employee Representative Counsel, and Service Canada to facilitate the WEPP claims process and address any issues as they arise.

FF&E Removal

3.18 As of the date of this Report, FF&E removal and demolition activities have been completed at all but one location. The remaining location is leased by the JV Entities (as defined in the Eleventh Report), and the Company is coordinating the removal of FF&E at that location with the Receiver of the JV Entities. The FF&E removal at this location is expected to be completed by the end of March 2026.

Signage Removal

3.19 As of the date of this Report, the Monitor understands that signage removal has been completed at all but eight former store locations. Of these remaining eight locations: (a) removal work is being competed by the respective landlords for four of the stores; and (b) the Company is coordinating the removal work at the other four stores, which process is dependent upon receipt of municipal permits prior to advancing the work.

Saks Global Chapter 11 Proceedings

3.20 On January 13 and 14, 2026, Saks Global Enterprises LLC ("**Saks Global**") and 112 affiliated companies filed voluntary petitions for relief under Chapter 11 before the United States Bankruptcy Court for the Southern District of Texas (the "**Saks Global Chapter 11 Proceedings**"). As noted in prior Monitor's Reports, Saks Global and the Applicants historically shared certain services, and the shared services have been discussed and managed between the Applicants and Saks Global, in consultation with the Monitor, throughout these CCAA Proceedings. The Saks Global Chapter 11 Proceedings may have an impact on shared services going forward. The Monitor will keep the Court apprised of developments in the Saks Global Chapter 11 Proceedings that it views as relevant to these CCAA Proceedings.

Correspondence with Mr. Turpin

3.21 Since January 4, 2026, the Monitor has received a significant volume of correspondence from an individual who has identified himself as Robert Rene Turpin ("**Mr. Turpin**"). In this correspondence, which has been directed at various times to the Monitor and its

counsel, counsel to the Applicants, this Court's staff (often addressed directly to the presiding judge), various governmental entities, and the entire CCAA service list, Mr. Turpin has, among other things:

(a) made various unsubstantiated assertions, including that he has a proprietary interest in the Charter and various of the Applicants' art and artifacts;

(b) requested significant accommodations from the Monitor, the Applicants, and the Court, including requesting that all proceedings be conducted in writing; and

(c) purported to object to various actions in these CCAA Proceedings, including the sale of the Charter (which had closed before Mr. Turpin first contacted the Monitor), and most recently, the Represented Employees' motion for the Hardship Programs Order.

3.22 The Monitor has written to Mr. Turpin repeatedly to, among other things:

(a) confirm that the Monitor has been unable to verify his claims;

(b) request that he provide specific evidence to substantiate his assertions;

(c) acknowledge his requests for written communication;

(d) offer to have a call or virtual meeting, which he declined;

(e) inform him that it is inappropriate to directly contact the Court or any judge in ongoing proceedings;

(f) advise that a number of historical records and artifacts of the Applicants had been donated to the Hudson's Bay Company Archives (the "**HBCA**"), which forms part of

the Archives of Manitoba, and provide a link to the HBCA's website, which offers contact information and tools to search the archival records;

(g) provide copies of the Charter AVO and Charter Endorsement, along with copies of the Report filed by the Monitor in connection with the Charter AVO and a link to the Monitor's website where all materials can be accessed;

(h) confirm that the Charter Transaction has closed, that the appeal period has expired, and that the proceeds from Charter Transaction have been distributed; and

(i) confirm that his written objection to the Hardship Programs Motion would be included with this Report.

3.23 Copies of all of the correspondence involving Mr. Turpin and the Monitor, including all such correspondence in which the Monitor is copied, are attached hereto as **Appendix "C"**.

3.24 As of the date of this Report, despite the voluminous correspondence, the Monitor is not aware of any evidence to substantiate Mr. Turpin's claims, and does not believe that Mr. Turpin has articulated a legitimate or credible basis to object to the Hardship Programs Order. Mr. Turpin has reiterated his demand for "written proceedings" for the February 11th hearing.

4.0 HARDSHIP PROGRAMS ORDER[6]

Background

4.1 The following is background that the Monitor believes is relevant to the execution of the Hardship Programs Term Sheet. Certain details have been previously reported in the prior Reports of the Monitor, but are repeated herein for ease of reference.

4.2 At the Filing Date, the Applicants employed approximately 9,364 people across 96 stores, four distribution centres, and a head office. In the course of these CCAA Proceedings, the employment of the vast majority of these employees has unfortunately been terminated. On June 15, 2025, after it became apparent that a going concern resolution would not be reached and the liquidation of the operating stores had substantially been completed, the Applicants terminated all employees that were not required to assist with the Applicants' orderly wind-up. Since that time, the Applicants have continued to lay off employees as the wind-up has progressed and tasks have been completed, and as of February 1, 2026, the Applicants have only eight remaining employees.[7]

4.3 As a result, the former employees and retirees of the Applicants have faced the loss of additional income and benefits, including:

(a) **Long-term disability ("LTD") benefits**: as of the Filing Date, approximately 188 employees and former employees of the Applicants were covered by LTD plans,

[6] Capitalized terms used and not otherwise defined in this section have the meanings ascribed in the Hardship Programs Term Sheet.

[7] In addition to the eight remaining employees, the Applicants have retained the services of a few employees on a part-time basis through consulting arrangements.

which were funded through the Applicants' general revenues and administered by Manulife through an administrative-services only ("**ASO**") plan. The Applicants initially gave notice to those individuals that the ASO LTD benefits would be discontinued effective June 15, 2025; however, as described in further detail in the De Fazio Affidavit, through negotiations involving Employee Representative Counsel, the Applicants, and the Applicants' secured lenders (the FILO Agent, Pathlight, and 2171948 Ontario Inc.) (collectively, the "**Secured Lenders**"), in consultation with the Monitor, the Company has continued to extend the payment of ASO LTD benefits from time-to-time for the period from July 15, 2025 to February 15, 2026 (the "**Post-Filing LTD Payments**");

(b) **Group benefits**: all terminated employees' group benefits, including extended health benefits, dental benefits and life insurance, were terminated as of their termination date, and no benefits or pay in lieu of benefits was received as part of any notice period;

(c) **Other Post-Employment Benefits ("OPEBs")**: as of the date of the Initial Order, the Applicants provided certain other OPEBs to approximately 2,200 retirees, their spouses, and other eligible dependants. The OPEBs were discontinued effective April 30, 2025;

(d) **Termination and severance pay amounts over and above the WEPP maximum benefit**: the Applicants did not make any termination or severance payments to terminated employees, and recovery for these amounts under the WEPP is limited to a maximum of $8,844.22. The Monitor estimates that approximately 3,755 individuals

would have been entitled to termination and severance pay amounts exceeding the WEPP maximum;

(e) **Salary continuance**: the Applicants had approximately 92 former employees in receipt of salary continuance and/or severance payments as of the Filing Date, which payments were terminated effective on or before March 18, 2025;

(f) **Parental leave top-up benefits**: there were five employees who had commenced parental leaves and were in receipt of related top-up benefits as of the Filing Date, which benefits were terminated effective March 30, 2025; and

(g) **Supplemental Executive Retirement Plan ("SERP") Benefits**: there were approximately 305 employees, former employees and retirees of the Applicants that were active, deferred or vested members in various SERPs. On March 28, 2025, the Applicants provided notice to all 196 SERP retirees that their monthly SERP payments were terminated effective immediately. On April 4, 2025, notice was provided to all SERP participants that all SERPs had been formally terminated.

4.4 As described in greater detail in the De Fazio Affidavit, certain former employees and retirees of the Applicants have contacted Employee Representative Counsel to describe the hardship that they have faced as a result of the loss of their income and benefits.

4.5 The ASO LTD recipients are particularly vulnerable. As discussed above, as a result of the negotiations between Employee Representative Counsel, the Applicants and the Secured Lenders, in consultation with the Monitor, these recipients have continued to receive the LTD benefits to which they were entitled under the applicable plan prior to the Filing Date.

During the course of these CCAA Proceedings, several have reached age 65 and ceased to be entitled to LTD benefits. As of February 4, 2026, 157 former employees are in continuing receipt of ASO LTD benefits (the "**Extended LTD Recipients**") under the Hudson's Bay Company ULC Employee Life and Health Plan and the plan document issued and administered by Manulife under plan number 83432 (the "**ASO Plan Document**"). The overwhelming majority of the Extended LTD Recipients have been disabled for a significant period and are not anticipated to recover from their disability.

4.6 In addition to the Extended LTD Recipients, there is one former Woodwards Stores Limited employee (the "**Woodwards LTD Recipient**") receiving ASO LTD benefits which were funded through the Applicants' general revenues and administered by Manulife under plan number 83002. The Woodwards LTD Recipient is a lengthy LTD claimant who was young at the date of their disability and is considered permanently disabled. The Woodwards LTD Recipient is not eligible for LTD benefits under the ASO Plan Document.

The Hardship Programs Term Sheet

4.7 Over the past several months, Employee Representative Counsel, the Applicants, and the Secured Lenders have engaged in discussions and negotiations with support from Manulife, ScotiaWealth, the Trustees, and the Monitor regarding the implementation of various programs to relieve the hardships faced by Represented Employees (concurrent with multiple extensions to the payment of ASO LTD benefits with the concurrence of the Secured Lenders). These discussions culminated in the execution of the Hardship Programs Term Sheet. A brief summary of the key terms of the Hardship Programs Term Sheet follows below.

The Hardship Programs

4.8 The Hardship Programs Term Sheet contemplates the establishment of three programs (collectively, the "**Hardship Programs**") for the benefit of the Represented Employees:

(a) the "**Trust Program**", which would provide certain payments in settlement of future claims for LTD benefits to the Extended LTD Recipients, whose benefits would otherwise have terminated;

(b) the "**Woodwards Replacement Policy**", which would provide the continuation and settlement LTD policy for the Woodwards LTD Recipient, whose benefits would otherwise have terminated; and

(c) the "**Employee Hardship Program**", to provide an avenue for eligible individuals facing extraordinary hardship to obtain some relief, provided the conditions set out in the Hardship Programs Term Sheet for the establishment of such program have been met.

Funding and Purpose of the Hardship Programs

4.9 The Hardship Programs Term Sheet contemplates funding for the Hardship Programs coming from three sources, respectively: (a) the Trust Program (as defined below); (b) the Company Reserve Fund (as defined below); and (c) provided the conditions to the establishment of the Employee Hardship Program have been met, the Applicants' cash on hand, in the maximum amount of $250,000.

4.10 The Secured Lenders have previously asserted entitlement to all of the assets that would allow for the funding for the contemplated Hardship Programs. Following extensive negotiations, the Hardship Programs Term Sheet represents a consensual resolution of issues between Employee Representative Counsel, the Applicants and the Secured Lenders. The sources and proposed uses of funding contemplated under the Hardship Programs Term Sheet are discussed in greater detail below.

A – The Trust

4.11 The first contemplated source of funding is the Trust and the agreement governing same (the "**Trust Agreement**"), which was established by Zellers Limited ("**Zellers**") in 1980. The Company assumed responsibility as settlor following its merger with Zellers in 1981. The Trust Agreement provides that the Trustees are to receive, hold and administer the Trust for the purpose of providing health and welfare benefits to eligible employees by the "Participating Employer" (initially Zellers and now, the Company). The Trust's current assets are approximately $9.9 million, which are presently held with ScotiaWealth. The Trust has not been terminated to date, and its termination and orderly wind-up are contemplated by the Hardship Programs Term Sheet.

4.12 Pursuant to the Hardship Programs Term Sheet, immediately after receiving Court approval, the Trust would reimburse the Company for the Post-Filing LTD Payments totalling $1,050,000. It also contemplates that the Trustees will enter into arrangements with the Company which permit the continuance of monthly LTD payments from the Trust (net of all applicable statutory deductions, as determined by the Company) to each Extended LTD Recipient in the amount that each Extended LTD Recipient would have

received pursuant to the HBC Plan and ASO Plan Document but for the Applicants' insolvency until the earlier of:

(a) such time as the LTD Termination Payments (as defined below) are finalized and processed;

(b) the Extended LTD Recipient's attainment of age 65; and

(c) the Extended LTD Recipient's death (the "**Interim LTD Payments**").

4.13 Interim LTD Payments made prior to December 31, 2026, are to be funded by the Trust in advance and would thereafter be reimbursable to the Company by the Trust from the Trust Program.

4.14 No other assets of the Trust would be distributed until the Trustees are reasonably satisfied that they have no personal liability in connection with the tax obligations of the Trust as of the effective date of the wind-up of the Trust (which may include a tax clearance certificate, other form of written confirmation or an order of the Court (the "**Tax Comfort**")). Once the Tax Comfort is obtained, the remaining assets in the Trust shall be distributed in accordance with the Distribution Waterfall which, among other things, contemplates:

(a) a "**Wind-Up Reserve**" to be retained by the Trust, in an amount expected to be sufficient to cover the wind-up costs and liabilities of the Trust; and

(b) following the establishment of the Wind-Up Reserve, the remaining Trust assets shall be made available for distribution (the "**Available Amount**") to (i) fund the Trust Program from Extended LTD Recipients; and (b) to the Monitor, on behalf of the

Company, to reimburse the Company for specified LTD-related expenses (the "**Reimbursement**").

4.15 The Distribution Waterfall also provides that the target distributions from the Available Amount will consist of: (a) $3.95 million to the Company to be applied to the Trust Program (for the benefit of the Extended LTD Recipients); and (b) $4.1 million to the Monitor, on behalf of the Company, as part of the Reimbursement. If the Available Amount is sufficient, the targeted distributions will be made in full; if there is a shortfall, the Trust Program Payment and the Reimbursement will be reduced equally.

4.16 The Hardship Programs Term Sheet contemplates that the LTD component of the ASO Plan Document and the Woodwards Plan Document will be terminated, given that the continuation of those benefit plans are no longer possible as a result of the Applicants' insolvency. In lieu thereof, in addition to the Post-Filing LTD Payments, the Trust Program contemplates three forms of payment to the Extended LTD Recipients from the Trust (together, the "**LTD Settlement Payments**"):

(a) Interim LTD Payments: to preserve the income security of the Extended LTD Recipients while the Tax Comfort is obtained, and while the LTD Termination Payments are calculated and processed, the Term Sheet provides for Interim LTD Payments, as discussed above;

(b) "**LTD Termination Payment**": a lump-sum payment reflecting the sum of all Pre-Determined Monthly Payments each individual would have received for the period beginning February 16, 2026 and ending May 15, 2028, or such other period as may be determined by Employee Representative Counsel having regard to the actual funds

available after all adjustments contemplated under the Hardship Programs Term Sheet have been taken into account, or age 65, whichever is earlier, but for the Applicants' insolvency, less applicable statutory deductions. Each individual's LTD Termination Payment shall be reduced by any Interim LTD Payments made to the individual; and

(c) "**Residual Trust Program Payment**": to the extent there are funds allocated to the Trust Program that could not be distributed as an LTD Termination Payment, the Company is authorized and directed to (and/or may direct an agent to), subject to receipt of applicable instructions from the Employee Representative Counsel, pay each Extended LTD Recipient from such Residual Trust Program Payment a final lump-sum payment (net of applicable costs and expenses of the Company and all applicable statutory deductions, as determined by the Company), allocated pari passu amongst the Extended LTD Recipients.

4.17 The Company would be authorized and directed to (and/or may direct an agent to) pay each Extended LTD Recipient the LTD Settlement Payments via cheque and/or direct deposit (net of applicable costs and expenses of the Company and all applicable statutory deductions, as determined by the Company), given the Trust does not have the ability to process the payments and ensure appropriate statutory withholding.

B – Company Reserve Fund

4.18 The second contemplated source of funding is a reserve fund held by Manulife (the "**Company Reserve Fund**") consisting of approximately $1,639,000, which was funded by the Company. For several years prior to the Filing Date, the Applicants contracted with Manulife to provide various group benefits on a Manulife-insured basis pursuant to a

refund account arrangement, under which a surplus can arise. Manulife and the Company are party to a Financial Arrangements Document which sets out the terms of the financial arrangements between parties in respect of the refund account benefits that gave rise to the Company Reserve Fund. It is not held pursuant to a trust agreement.

4.19 The Hardship Programs Term Sheet contemplates that Manulife will be directed to release the balance of the Company Reserve Fund to the Monitor on behalf of the Applicants, to be held pending distribution to the FILO Agent or pursuant to further Order of the Court. The Applicants will then direct the Monitor to remit approximately $57,000 to purchase the Woodwards Replacement Policy for the benefit of the Woodwards LTD Recipient.

4.20 The Woodwards Replacement Policy would provide continued LTD benefits to the Woodwards LTD Recipient in accordance with a replacement policy containing terms substantially similar to the Woodwards Plan Document, under which the Woodwards LTD Recipient would cease to be eligible for benefits upon the earlier of: recovery from disability; age 65 (which will occur in July 2030); or death.

C – Employee Hardship Program Funding

4.21 The Employee Hardship Program, which would be limited to $250,000 (representing foregone payments to the Secured Lenders), would only be established if the Minimum Reimbursement ($4.1 million) is made from the Trust's assets. For this reason, the Employee Hardship Program will not be funded or available until after the Tax Comfort is received and the Wind-Up Reserve is determined. If the Minimum Reimbursement is received, the Employee Hardship Program would be funded from the Company's cash-on-

hand, with any unused portions to be held by the Monitor on behalf of the Applicants pending distributions to the FILO Agent or pursuant to the further Order of the Court.

4.22 The proposed Employee Hardship Program would permit eligible individuals to apply for a payment of up to eight weeks' of the applicant's regular wages (as determined by applicable employment standards legislation) up to a maximum weekly amount of $1,200 per week, payable in a single lump sum installment. In addition, the Monitor or the Hardship Committee (discussed below) shall have the discretion to approve additional amounts up to $2,500 in the case of medical or other emergencies, in each case subject to applicable deductions.

4.23 The Monitor would administer the Employee Hardship Program and approve or deny requests. If a request is denied, the applicant thereunder would be given the right to have its application reviewed by an informal committee to be composed of one appointee from the Applicants, one appointee from Employee Representative Counsel, and one appointee from the Monitor (the "**Hardship Committee**"). If amounts are approved for payment, the Monitor will transfer such amounts to the Company to be paid to the successful applicant. Notice of the eligibility criteria and the application process for the Employee Hardship Program shall be posted on the Case Website and the website of Employee Representative Counsel in the form attached to the Hardship Programs Term Sheet.

4.24 For certainty, there is no assurance that the conditions necessary to create the Employee Hardship Program will be satisfied, and therefore, there may not be any opportunity for former employees to seek payments thereunder. The Monitor will provide further updates to the former employees and the Court as this progresses.

Relief Sought by the Represented Employees

4.25 As noted above, to facilitate the implementation of the Hardship Programs and to obtain related relief, the Represented Employees are seeking approval of the Hardship Programs Order.

4.26 The Hardship Programs Order would approve the Hardship Programs Term Sheet and authorize various actions to be taken by the relevant parties in accordance with the terms thereof. It would also declare that payments from the Employee Hardship Program are not earnings arising from employment, but such payments are intended to alleviate particular hardships faced by eligible individuals of the Applicants.

4.27 Further, the Represented Employees seek certain releases and limitations of liability in favour of the Trustees, Employee Representative Counsel, the Applicants, the Monitor, Manulife, ScotiaWealth and the Hardship Committee, all of which have duties and responsibilities in connection with the implementation of the Hardship Programs. Specifically, the Represented Employees are seeking:

(a) for the Applicants, the Monitor, the Hardship Committee, the Trustees and all former trustees of the Trust, Employee Representative Counsel, Manulife and ScotiaWealth, as applicable, and their respective directors, officers, employees, legal counsel, and other advisors, to be released from any and all present and future claims whatsoever in connection with their administration of the Trust, termination of the Trust Plan and LTD component of the ASO Plan Document, termination of the Trust, termination of the Woodwards LTD Policy, and implementation of the Hardship Programs Term

Sheet, and the carrying out the terms of the Hardship Programs and the Hardship Programs Order; and

(b) for the Monitor, Employee Representative Counsel and the Hardship Committee to incur no liability in connection with the Hardship Programs;

in each case, subject only to claims for fraud or wilful misconduct or claims that are not permitted to be released pursuant to section 5.1(2) of the CCAA. In addition to these releases, the Represented Employees seek to limit any obligations: (a) of the Applicants, the Monitor and Manulife with respect to the Woodwards LTD Recipient to the purchase and provision of the Woodwards Replacement Policy; and (b) of the Trustees and ScotiaWealth with respect to the payments to Extended LTD Recipients under the Trust Program to the extent of any funds remaining in the Maximum Trust Program Payment, which are required and available to be paid to Extended LTD Recipients.

4.28 Finally, the Hardship Programs Order contains a limited request to seal Confidential Exhibits "A" and "B" to the De Fazio Affidavit, being unredacted copies of the Hardship Programs Term Sheet and the Trust Agreement, pending further Order of the Court.

4.29 The De Fazio Affidavit appended the Hardship Programs Term Sheet as Exhibit "A", with the following information redacted:

(a) schedule "A" of the Hardship Programs Term Sheet, which identifies the Extended LTD Recipients, the monthly amounts they would receive, and the date they turn 65;

(b) paragraph B.1 of the Hardship Programs Term Sheet, which identifies the Woodwards LTD Recipient; and

(c) the identities of the current trustees of the Trust.

4.30 The De Fazio Affidavit appended the Trust Agreement as Exhibit "B", with the identities and addresses of the original trustees redacted.

Recommendation of the Monitor

4.31 The Monitor notes the following with respect to the Hardship Programs Order:

(a) the Hardship Programs Term Sheet is the result of significant negotiations between the Applicants, Employee Representative Counsel, and the Secured Lenders, in consultation with the Monitor, and represents the resolution of various issues on a consensual basis that will avoid protracted litigation;

(b) the proposed Hardship Programs are designed to benefit eligible Represented Employees who are particularly vulnerable and will continue to receive payments and benefits that would not otherwise be possible given the wind-up of the Applicants' business;

(c) the releases proposed in the Hardship Programs Order are sufficiently narrow and are rationally connected to the relief sought, as they are for the benefit of the parties implementing the Hardship Programs;

(d) the information to be sealed is limited to personal information of the Extended LTD Recipients, the Woodwards Recipient, the current Trustees and the former trustees. The sealing would not be for an unlimited duration, as the information would be sealed pending further Order of the Court, and the Monitor does not believe that any

stakeholders will be prejudiced by the sealing request. The Monitor notes that the Trustees are not beneficiaries of the payments contemplated by the Hardship Programs Term Sheet, and the Monitor understands they have expressed concerns in respect of their personal information being made public; and

(e) the Monitor is not aware of any opposition to the relief sought, aside from the objection expressed by Mr. Turpin described above. The Monitor does not believe the relief sought will prejudice any of the Applicants' stakeholders, including Mr. Turpin.

4.32 For the reasons set out above, the Monitor believes that the relief sought by the Represented Employees is reasonable and appropriate in the circumstances, and that the Hardship Programs Order should be approved.

5.0 CASH FLOW RESULTS RELATIVE TO FORECAST

5.1 Actual receipts and disbursements for the nine-week period from November 29, 2025, to January 30, 2026 (the "**Reporting Period**"), as compared to the cash flow forecast attached as **Appendix "H"** to the Eleventh Report (the "**Seventh Updated Cash Flow Forecast**"), are summarized in the following table:

Cash Flow Variance Report			$000's
	Actual	Budget	Variance
Receipts	**40,601**	**38,276**	**2,325**
Disbursements			
Payroll & Benefits	(1,301)	(1,330)	28
Occupancy Costs	(29)	(606)	576
Wind-down Expenses	(1,533)	(2,190)	656
Store Closure & Exit Costs	(4,663)	(6,302)	1,639
Consultant Fees & Expenses	(268)	(280)	12
Professional Fees	(3,318)	(4,998)	1,680
Shared Service Payments	(414)	(2,360)	1,946
Interest Payments & Fees	(2,222)	(2,338)	117
Total Disbursements	**(13,749)**	**(20,403)**	**6,654**
Net Cash Flow	**26,852**	**17,873**	**8,979**
Opening Cash Balance	16,533	16,533	-
Net Cash Flow	26,852	17,873	8,979
FILO Credit Facility Paydown	(18,000)	(18,000)	-
Closing Cash Balance	**25,385**	**16,407**	**8,979**

5.2 Pursuant to paragraph 22(c) of this Court's endorsement dated March 29, 2025, the Monitor is required to advise the Court if, at any time, actual results vary as compared to the applicable Cash Flow Forecast by 15% or more. Since the filing of the applicable Cash Flow Forecast, the Monitor notes that, on a net cash flow basis, actual cash flow results have not negatively varied from the applicable Cash Flow Forecast.

5.3 Explanations for the larger variances during the Reporting Period are as follows:

(a) the primary components of total receipts of approximately $40.6 million include: (i) gross proceeds of approximately $20.3 million from the Charter Transaction; (ii) gross receipts of approximately $8.1 million from the Live Auction and First Online

Auction;[8] (iii) approximately $9.8 million related to sales tax refunds for the periods of June and July 2025; and (iv) approximately $1.7 million in connection with a payout in respect of a class action lawsuit that commenced prior to the CCAA Proceedings;

(b) the cumulative positive receipts variance of approximately $2.3 million is permanent and is primarily a result of higher than anticipated gross proceeds from the First Online Auction of approximately $1.6 million and other smaller positive variances and miscellaneous receipts;

(c) the positive variance in occupancy costs of approximately $576,000 represents a timing variance which is expected to reverse in future weeks as property tax and other occupancy cost reconciliation invoices for 2025 are received and payments are processed;

(d) the positive variance in store closure and exit costs of approximately $1.6 million is comprised of positive timing variances of approximately $961,000 related to signage removal and $648,000 related to FF&E removal costs. Both variances are expected to reverse in future weeks as the final FF&E and signage removal work is completed and invoiced; and

[8] Cumulative gross proceeds of approximately $8.1 million from the Live Auction and the First Online Auction are shown as having been collected and are included in the Company's Closing Cash Balance. However, in accordance with paragraph 11 of the Art Collection Auction Procedure Order, cumulative net proceeds of approximately $7.2 million from the Live Auction and the First Online Auction are being held in trust by the Monitor pending further order of the Court or distribution to the FILO Agent. The Monitor has transferred the HST component of the proceeds from the Live Auction and the First Online Auction (approximately $900,000 combined) to the Company for remittance to the CRA (as applicable).

(e) the positive variance in shared service payments of approximately $1.9 million is a timing variance that is expected to reverse in future weeks as amounts owed to Saks Global are reconciled and paid. The Monitor notes that approximately $1.3 million related to the June 2025 period remains outstanding pending a resolution regarding the allocation and settlement of certain third-party shared contracts. The remaining amounts owing of approximately $600,000 relate to the December 2025 and January 2026 periods and are expected to be paid in due course.

5.4 As directed in the October 24 Decision, and in accordance with the Stay Extension and Distribution Order, which authorized distributions to be made to the FILO Agent in respect of amounts owing under the FILO Credit Facility (excluding the Make-Whole) (each as defined in the Third Report of the Monitor dated May 9, 2025), the Company made a distribution of $18 million to the FILO Agent on December 23, 2025.

5.5 The outstanding principal balance owing to the FILO Lenders under the FILO Credit Facility, after accounting for the above distribution, and excluding the Make-Whole, is approximately $35.1 million.

5.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately $9.0 million. The closing cash balance as of January 30, 2026, was approximately $25.4 million, as compared to the projected cash balance of $16.4 million.

5.7 As previously reported, the Monitor is holding the remaining proceeds from the closing of the Affiliate Lease Assignment Transaction (as defined in the Sixth Report of the Monitor

dated July 14, 2025) of $4 million in trust, which was received on June 26, 2025. These funds are incremental to the Company's closing cash balance as of January 30, 2026.

6.0 ACTIVITIES OF THE MONITOR

6.1 Since the date of the Eleventh Report, the primary activities of the Monitor and its counsel, Bennett Jones LLP, have included the following:

(a) continuing to assist in discussions and negotiations with key service providers to facilitate ongoing service and/or termination of services, and to reconcile and settle outstanding post-filing obligations;

(b) monitoring cash receipts and disbursements and coordinating with management in preparing weekly cash flow variance reporting; communicating with the FILO Agent and its financial advisor in respect of ongoing variance reporting, and responding to related information requests and questions; and communicating with Pathlight in respect of ongoing variance reporting, and responding to related information requests and questions;

(c) assisting the Applicants in preparing the Sixth Updated Cash Flow Forecast and the Seventh Updated Cash Flow Forecast, including consideration of an estimated reserve to fund the remaining costs of the wind-down and CCAA Proceedings thereafter;

(d) working with the Applicants and Saks Global on shared services cost allocations, negotiating the draft shared services agreement, coordinating the level of support necessary to advance workstreams anticipated to generate future recoveries and

properly administer remaining aspects of the wind-down, and reviewing/analyzing related supporting information and documentation;

(e) participating in discussions and meetings with the auction services provider and other parties in respect of the Art Collection;

(f) monitoring the concurrent receivership proceeding in respect of the JV Entities and coordinating with the Receiver of the JV Entities on various matters;

(g) monitoring the Saks Global Chapter 11 Proceedings for issues that may be relevant to the CCAA Proceedings;

(h) assisting the Applicants in coordinating the removal of FF&E and store signage;

(i) working with the Applicants and Employee Representative Counsel to advance employee issues arising during the CCAA Proceedings and liaising with the Applicants, Employee Representative Counsel and Service Canada in relation to the WEPP process;

(j) working with the Applicants, Employee Representative Counsel, and the FILO Agent to advance the Hardship Programs Term Sheet and the Hardship Programs Motion;

(k) working with the Applicants and their counsel to develop a process to address the pension surplus;

(l) working with the Applicants and their counsel to develop a process for document retention and destruction;

(m) responding to enquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number or email account established for the case by the Monitor;

(n) posting non-confidential materials filed with the Court to the Case Website; and

(o) with the assistance of Bennett Jones, preparing the Twelfth Report, the Supplement to the Twelfth Report, the Second Supplement to the Twelfth Report, and this Thirteenth Report.

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 For the reasons set out in this Thirteenth Report, the Monitor respectfully recommends that this Court grant the Hardship Programs Order.

All of which is respectfully submitted to the Court this 9th day of February, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Senior Vice-President

APPENDIX I
Supplement to the Thirteenth Report of the Monitor dated February 10, 2026

See attached.

Court File No. CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

Applicants

SUPPLEMENT TO THE THIRTEENTH REPORT OF THE MONITOR ALVAREZ & MARSAL CANADA INC.

FEBRUARY 10, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**").

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

1.3 On February 9, 2026, the Monitor filed its Thirteenth Report of the same date (the "**Thirteenth Report**"). This Report (the "**Supplemental Report**") is a supplement to the Thirteenth Report, and should be read in conjunction therewith. Capitalized terms used herein and not otherwise defined have the meanings ascribed in the Thirteenth Report. A copy of the Thirteenth Report, without appendices, is attached hereto as **Appendix "A"**.

Purpose of this Supplemental Report

1.4 The Thirteenth Report was prepared in connection with a motion returnable February 11, 2026 brought by Employee Representative Counsel for the Hardship Programs Order. Among other things, the Thirteenth Report updated the Court on the significant volume of correspondence received by the Monitor from an individual who has identified himself as Robert Rene Turpin ("**Mr. Turpin**"). The purpose of this Supplemental Report is to update the Court regarding further correspondence received from Mr. Turpin.

2.0 FURTHER CORRESPONDENCE FROM MR. TURPIN

2.1 The Monitor received further email correspondence from Mr. Turpin on February 10, 2026 at 1:01 P.M., a copy of which is attached hereto as **Appendix "B"**. The Monitor does not agree with the assertions made or positions communicated by Mr. Turpin, but is including this correspondence as a courtesy to Mr. Turpin to ensure it is brought to the attention of the Court.

2.2 The Monitor continues to be of the view that Mr. Turpin has not provided a legitimate or credible basis to object to the Hardship Programs Order.

3.0 CONCLUSIONS AND RECOMMENDATIONS

3.1 For the reasons set out in this Supplemental Report, the Monitor continues to respectfully recommend that this Court grant the Hardship Programs Order.

All of which is respectfully submitted to the Court this 10th day of February, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Senior Vice-President

APPENDIX J
Eighth Updated Cash Flow Forecast

See attached.

1242939 B.C. Unlimited Liability Company, et al.

Eighth Updated Cash Flow Forecast

$CAD 000's

Cash Flow Week: Week Ending:	Note	Week 1 13-Mar-26	Week 2 20-Mar-26	Week 3 27-Mar-26	Week 4 03-Apr-26	Week 5 10-Apr-26	Week 6 17-Apr-26	Week 7 24-Apr-26	Week 8 01-May-26	Week 9 08-May-26	Week 10 15-May-26	Week 11 22-May-26	Week 12 29-May-26	Week 13 05-Jun-26	Week 14 12-Jun-26	Week 15 19-Jun-26	Week 16 26-Jun-26	Week 17 03-Jul-26	Total
Receipts	1	**2,063**	**150**	**1,050**	**150**	**-**	**-**	**-**	**150**	**-**	**-**	**-**	**150**	**1,000**	**-**	**-**	**150**	**-**	**4,863**
Disbursements																			
Payroll & Benefits	2	(38)	(243)	(30)	(256)	(5)	(51)	(5)	(276)	(5)	(47)	(5)	(230)	(47)	(5)	(47)	(155)	(122)	(1,566)
Occupancy Costs	3	(6)	-	-	(6)	-	(6)	-	-	(150)	(150)	-	-	-	-	-	-	-	(317)
Wind-down Expenses	4	(35)	(133)	(35)	(135)	(35)	(49)	(35)	(120)	(35)	(35)	(35)	(35)	(113)	(10)	(10)	(10)	(71)	(932)
Store Closure & Exit Costs	5	-	(108)	(608)	(108)	-	-	-	-	-	-	-	-	-	-	-	-	-	(825)
Sales Tax Remittances		-	-	-	-	-	(43)	-	-	-	-	-	-	-	-	-	-	-	(43)
Professional Fees	6	(257)	(271)	(407)	(542)	(356)	(249)	(322)	(508)	(322)	(249)	(322)	(339)	(492)	(215)	(288)	(235)	(528)	(5,900)
Shared Service Payments	7	(230)	(227)	-	-	(227)	-	-	-	(227)	-	(1,120)	-	(227)	-	-	-	(227)	(2,487)
Interest Payments & Fees	8	-	-	(422)	-	-	-	-	(494)	-	-	-	(395)	-	-	-	-	(482)	(1,793)
Total Disbursements		**(566)**	**(982)**	**(1,503)**	**(1,047)**	**(623)**	**(398)**	**(362)**	**(1,399)**	**(739)**	**(481)**	**(1,482)**	**(998)**	**(879)**	**(230)**	**(345)**	**(400)**	**(1,430)**	**(13,863)**
Net Cash Flow		**1,497**	**(832)**	**(453)**	**(897)**	**(623)**	**(398)**	**(362)**	**(1,249)**	**(739)**	**(481)**	**(1,482)**	**(848)**	**121**	**(230)**	**(345)**	**(250)**	**(1,430)**	**(9,000)**
Opening Cash Balance		22,930	24,427	21,957	20,454	19,557	18,934	18,536	18,174	16,925	16,186	15,705	14,223	13,375	12,496	12,267	11,921	11,672	22,930
Net Cash Flow		1,497	(832)	(453)	(897)	(623)	(398)	(362)	(1,249)	(739)	(481)	(1,482)	(848)	121	(230)	(345)	(250)	(1,430)	(9,000)
FILO Credit Facility Paydown		-	(1,638)	(1,050)	-	-	-	-	-	-	-	-	-	(1,000)	-	-	-	-	(3,688)
Closing Cash Balance		**24,427**	**21,957**	**20,454**	**19,557**	**18,934**	**18,536**	**18,174**	**16,925**	**16,186**	**15,705**	**14,223**	**13,375**	**12,496**	**12,267**	**11,921**	**11,672**	**10,242**	**10,242**

1242939 B.C. Unlimited Liability Company, et al.
17-Week Cash Flow Forecast
Notes and Summary of Assumptions

Disclaimer

*In preparing this cash flow forecast (the "**Forecast**"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions described below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("**CCAA**"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

The Forecast is presented in thousands of Canadian dollars.

1) Receipts
Includes: (i) approximately $1.7 million related to the Company Reserve Fund (as defined in the Hardship Programs Term Sheet) held at Manulife, to be released to the Monitor on behalf of the Applicants pursuant to the Hardship Programs Term Sheet; (ii) approximately $1.0 million related to the reimbursement of post-filing LTD payments up to February 15, 2026, to be released to the Monitor on behalf of the Applicants pursuant to the Hardship Programs Term Sheet; (iii) approximately $1.0 million of post-filing sales tax refunds from the Canada Revenue Agency related to prior periods; (iv) in accordance with the Hardship Programs Term Sheet, approximately $750,000 to be received from the Trust in order to fund the monthly Interim LTD Payments which are included as disbursements on the Payroll & Benefits line (as further noted below); and (v) approximately $371,000 of auction proceeds (net of Heffel commissions and fees) from the Third Online Auction.

The remaining gross proceeds from the closing of the Affiliate Lease Assignment Agreement ($4.0 million), continue to be held in trust by the Monitor and are incremental to the closing cash balance presented in the Eighth Updated Cash Flow Forecast.

2) Payroll & Benefits
Includes: (i) salaries, wages, remittances, and payroll taxes for the remaining corporate employees; (ii) independent contractor costs for personnel assisting with the wind-down of the estate; (iii) the purchase of the Woodwards Replacement Policy (as defined in the Hardship Programs Term Sheet); and (iv) forecast monthly Interim LTD Payments, which are reimbursed pursuant to the Hardship Programs Term Sheet (as described above).

3) Occupancy Costs
Represents a reserve for potential reconciliations relating to third-party rents, property taxes and common area maintenance charges for 2025, together with payments for the Company's temporary head office through April 2026.

4) Wind-down Expenses
Includes accrued expenses related to store-level carrying costs, as well as corporate wind-down costs. These expenses include, among other items, records retention, storage fees and certain IT related costs.

5) Store Closure & Exit Costs
Represents the estimated costs to remove the remaining FF&E and interior and exterior store signage of approximately $500,000 and $325,000, respectively.

6) Professional Fees
Represents estimated payments to the Applicants' legal counsel and financial advisor; the Monitor and its legal counsel; Employee Representative Counsel; and legal counsel and financial advisors to the FILO Lenders.

7) Shared Service Payments
Represents estimated payments for shared services provided by Saks Global, consisting of: (i) cost reimbursements for limited Saks Global employees that provide support services to Hudson's Bay; (ii) an estimate of Hudson's Bay's share of third-party IT costs and related support services necessary to administer the remaining aspects of the wind-down; and (iii) reimbursement for shared service costs incurred during June 2025, January 2026 and February 2026, which remain subject to ongoing reconciliation between the Company (with the assistance of the Monitor) and Saks Global. The Monitor notes that approximately $1.1 million related to the June 2025 period remains outstanding, pending

resolution of the allocation and settlement of certain third-party shared contracts, including the determination of whether such contracts will be assigned to Saks Global or disclaimed.

8) Interest Payments & Fees

Represent payments owing to the FILO Lenders for: (i) accrued and unpaid interest; (ii) forecast interest for the period covered by the Eighth Updated Cash Flow Forecast; and (iii) an annual agency fee.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF 1242939 B.C. Unlimited Liability Company et al.

Court File No.: CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

FOURTEENTH REPORT OF THE MONITOR

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