

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 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.**

**RESPONDING MOTION RECORD OF THE APPLICANTS
(Re: Proprietary Claims Motion)**

June 5, 2026

STIKEMAN ELLIOTT LLP
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Toronto, Canada M5L 1B9

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Lawyers for the Applicants

TO: THE SERVICE LIST

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UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC.,
SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.**

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES ARRANGEMENT ACT*,
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SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.**

Applicants

**SUPPLEMENTAL AFFIDAVIT OF KATHLEEN EPP
(Affirmed June 4, 2026)**

I, Kathleen Epp, of the City of Winnipeg, in the Province of Manitoba, MAKE
SOLEMN AFFIRMATION AND SAY:

1. I am the Keeper of the Hudson's Bay Company Archives (the "**HBCA**"), and I have been the Keeper of the HBCA for over seven years.
2. I make this affidavit in response to documents specifically referred to in Robert Turpin's Motion Record which was filed in support of Mr. Turpin's Proprietary Claims Motion (as defined in Justice Kimmel's endorsement dated April 13, 2026) on May 6, 2026 (the "**Turpin Affidavit**").

Background

3. The HBCA is the official repository of the Hudson's Bay Company ("**HBC**")'s records. The HBCA is a distinct unit within the Archives of Manitoba within the Government of Manitoba ("**Manitoba**"). It operates under *The Archives and Record Keeping Act* S.M. 2001, c. 35. 1.

previously affirmed an affidavit dated June 2, 2025 in connection and in response to, among other things, paragraph 25 of the Affidavit of Michael Culhune sworn May 26, 2025 and the Approval and Vesting Order dated June 3, 2025 (the "**First Affidavit**").

4. Following the initial donation of records by HBC, further donations of records were made between 1994 to 2026. In addition to HBC's records, the HBCA also has records of the North West Company, in its holdings (the "**NWC Records**"). The NWC Records are primarily records that became property of HBC following the merger of HBC and the North West Company in 1821.

Availability and access to the HBCA's records

5. On or around April 24, 2026, Mr. Turpin requested access to specific documents. Although there were no restrictions on the access to the information contained in any of the records, six of the physical documents were subject to access restrictions because of the size and fragility of the record itself. In such circumstances, a researcher would only need to make an access request and receive permission to see the original record.

6. Many have been digitized and can be viewed on the Manitoba Archives' website. Indeed, all the records requested by Mr. Turpin had been microfilmed and were available via microfilm loan. The Archives of Manitoba's digitized records can be accessed via the following link: <https://pam.minisisinc.com/pam/search.htm> . Attached hereto and marked as **Exhibit "A"** to my affidavit is a printout of the Archives of Manitoba's search engine. Attached hereto and marked as **Exhibit "B"** is a document which lists links to most of the documents referenced in further detail below.

7. Although I was not present at the time Mr. Turpin's request came in, I am advised by Julianna Trivers (who was Acting Keeper at the time of Mr. Turpin's request) and do verily believe that the HBCA responded promptly to Mr. Turpin's request. Attached hereto and

marked as **Exhibit "C"** to this affidavit is a copy of the e-mail request received by the HBCA from Mr. Turpin and the HBCA's response to Mr. Turpin's request.

8. Since receiving the Turpin Affidavit, I have reviewed the specific documents referenced therein and further context to these documents can be found below.

Archival records B.239/g/1,2,3, and 4

9. Mr. Turpin refers to archival records B.239/g/1, 2, 3, and 4 at "2. The Physical Showing", "7. Willful Blindness to Crown Archival Codes", "9. Demand for verification", "11. The 10-Generation Chain of the House of Turpin", "19. Final Attestation of Evidentiary Sufficiency" and attaches excerpts of those records as Exhibit D to his affidavit.

10. Attached hereto and marked as **Exhibit "D"** to my affidavit are excerpts of archival records B.239/g/1, 2, 3, and 4. I have reviewed Exhibit D of the Turpin Affidavit and am satisfied that the records provided at Exhibit D of my affidavit are one and the same. I have satisfied myself that these records are the same by reviewing the links identified at the bottom of each page, and by zooming in on the documents included in the Exhibit D of the Turpin Affidavit.

11. These records are excerpts of account books that were created from 1821 to 1892 at the headquarters of the Northern Department of the HBC. There are 131 volumes of these account books in total.

12. The account books were created to record the names of servants (employees) of the HBC. The abstracts are mostly divided by rank (commissioned officers, clerks and postmasters, servants and freemen), and in some instances, also include reference to Red River settlers.

13. The entirety of these records were microfilmed in 1959 and digitized copies were made available online in 2019.

Archival records E.5/3, E.5/5, and E.5/6

14. Mr. Turpin refers to archival records E.5/3, E.5/5, and E.5/6 in “2. The Physical Showing”, “7. Willful blindness to Crown Archival Codes” and “10. The 10-Generation Chain of Reality” and have attached excerpts of these records as Exhibit B to his affidavit.

15. Attached hereto and marked as **Exhibit “E1” “E2”**, and **“E3”** of my affidavit are excerpts of archival records E.5/3, E.5/5 and E.5/6 respectively. The excerpts are the pages that the HBCA found which reference the name “Turpin”. I verily believe that the records at Exhibit B of the Turpin Affidavit are the same as those found at Exhibits E1 to E3 of my affidavit.

16. The E.5 archival series refers to census records which were compiled by the Council of Assiniboia; one copy of the census was sent to the HBC in London, and the other copy was retained in the Red River Census. The numbers following E.5 reflect the year the census was conducted. In this case, E.5/3 corresponds to the census taken in 1829, E.5/5 corresponds to the census taken in 1831, and E.5/6 corresponds to the census taken in 1832. The census recorded information on several individuals; as an example, the 1832 census recorded more than 3000 individuals in more than 500 families in the settlement.

17. The way the census recorded this information was by identifying the heads of various households and then tallying information about those households in several broad categories. These categories included *inter alia*: country, religion, population (the number of men, women, sons and daughters), marital status, dwellings (including whether the dwellings comprised of houses, stables or barns), livestock and a small section for remarks.

18. As an example, if a household had livestock, the type and number of livestock would be noted in the census.

19. The census is a screenshot in time and does not identify details including the names of the family members, the locations of dwellings and whether the households resided in the same or different dwellings from one year to the next.

20. These records were microfilmed in 1955, and a digitized copy of the microfilm was made available online in 2013.

Archival Record B.239/u/1

21. Mr. Turpin refers to archival record B.239/u/1 as one of the documents to substantiate his claim. He refers to this record at "8. Breach of Duty to Investigate". This record documents individuals who were employees (servants) of the Northern Department of HBC and has entries for more than 1800 servants. This record was microfilmed and was made available online in 2019.

22. In further response to "8. Breach of Duty to Investigate", I am advised by Bronwen Quarry (Archivist at the HBCA) and do verily believe that this record was reviewed and the name Turpin or Toupin could not be found.

Archival Record B.115/d/7

23. Mr. Turpin attaches excerpts of archival record B.115/d/7 as Exhibit C to his affidavit. Attached hereto and marked as **Exhibit "F"** to my affidavit is a larger version of the same excerpt found at Exhibit C to the Turpin Affidavit. I do verily believe that the excerpts are one and the same.

24. The record requested by Mr. Turpin is an equipment book that records accounts for individuals (often trappers and sometimes servants) that were given supplies, provisions or merchandise in advance of the season on the expectation that the employer would be paid back later (once furs or wages were attained to pay off what was needed for a season).

25. Joseph Turpin's existence in this record suggests that he worked as a route, which is a collective term for skilled workers (bowsman or steersman) who worked in a canoe or boat.

Archival Record F.4/32

26. Mr. Turpin attaches excerpts of archival record F.4/32 as Exhibit E to his affidavit. Attached hereto and marked as **Exhibit "G"** to my affidavit are larger versions of the same excerpts identified as Exhibit E to the Turpin Affidavit. I am satisfied that these documents are one and the same because I can see that these documents were provided to Mr. Turpin by my colleague Julianna Trivers. I am advised by Ms. Trivers and do verily believe that these records were provided in response to the inquiries Mr. Turpin made on or around April 24, 2026, which can be found at Exhibit B of my affidavit.

27. F.4/32 is a North West company ledger records account information for North West Company employees and was kept by the North West Company before it amalgamated with HBC in 1821. The ledger is for the years between 1811 to 1821 and documents the financial activity of approximately 2000 individuals who worked for the North West Company.

28. This ledger is included in the North West Company Account Books series (1795-1827), and an index of the accounts can be found online. A link to the specific index can be found in Exhibit B to this affidavit.

Joseph Turpin Biographical Sheet

29. Mr. Turpin has attached an HBCA reference document as Exhibit A to his affidavit. This document is not an archival document but was instead a reference document which was created by HBCA staff, likely for a specific request. The HBCA no longer creates these documents and individuals are always encouraged to review source documents for their research.

RG2/7/702

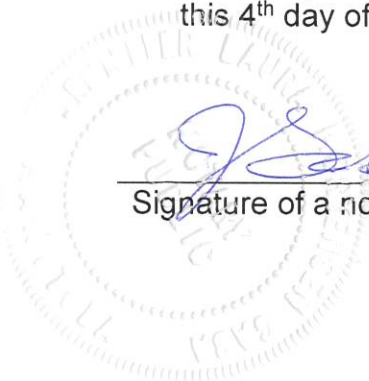
30. Mr. Turpin refers to archival code RG2/7/702 in “7. Willful Blindness to Crown Archival Codes” and “19. Final Attestation of Evidentiary Sufficiency”. As acknowledged by Mr. Turpin, his reference to archival record RG2/7/702 pertains to a Privy Council record and not one that is in the possession of the HBCA.


Exhibits F and G of the Turpin Affidavit

31. Exhibits F and G of the Turpin Affidavit are not part of the HBCA.

32. I affirm this affidavit for no other or improper purpose.

AFFIRMED before me at the City of)
Winnipeg, in the Province of Manitoba)
this 4th day of June, 2026.)
)
)
)





Signature of a notary public



Kathleen Epp

EXHIBIT "A"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



Signature of a Notary Public



Archives of Manitoba

manitoba.ca > Archives of Manitoba > Keystone Archives Descriptive Database

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Keystone Archives Descriptive Database

The Keystone Archives Descriptive Database is the online guide to the archival holdings of the Archives of Manitoba. To begin, choose one of the search options below.

Not all holdings are represented in the database. The database is growing and will be updated regularly on the web. Contact the Archives of Manitoba for more information on our holdings.

Archival records, descriptions and listings can contain outdated, offensive and/or harmful language and content that reflects the time in which they were created. Read our [statement on language and content](#) for information about work that we are doing to improve our descriptions.

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All these keywords | Any of these keywords | Exact Phrase

Digital Copies (limit your search to archival items that have been digitized)

SEARCH

Advanced Search

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EXHIBIT "B"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



A handwritten signature in blue ink is written over a horizontal line. The signature appears to be "J. Epp".

Signature of a Notary Public

HBCA Reference	Link
B.239/u/1	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_IMAGES/LISTINGS_DET_IMAGES/SISN%205119?sessionsearch
North West Company Account Books (1795-1827)	Index can be found here: https://www.gov.mb.ca/chc/archives/hbca/name_indexes/nwc_accounts.html
E.5/3	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_WEB2_ACCESS/LISTINGS_DET_REP_FULL_GR/SISN%2094762?sessionsearch
E.5/4	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_WEB2_ACCESS/LISTINGS_DET_REP_FULL_GR/SISN%2094763?sessionsearch
E.5/5	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_WEB2_ACCESS/LISTINGS_DET_REP_FULL_GR/SISN%2094764?sessionsearch
E.5/6	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_IMAGES/LISTINGS_DET_IMAGES/SISN%2094765?sessionsearch
B.115/d/7	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_IMAGES/LISTINGS_DET_IMAGES/SISN%20117540?sessionsearch
B.239/g/1	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_IMAGES/LISTINGS_DET_IMAGES/SISN%205182?sessionsearch
B.239/g/2	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_IMAGES/LISTINGS_DET_IMAGES/SISN%205183?sessionsearch
B.239/g/3	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_WEB2_ACCESS/LISTINGS_DET_REP_FULL_GR/SISN%205184?sessionsearch
B.239/g/4	https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_WEB2_ACCESS/LISTINGS_DET_REP_FULL_GR/SISN%205185?sessionsearch

F.4/32	<p>Index available by accessing the following link:</p> <p>https://www.gov.mb.ca/chc/archives/hbca/name_indexes/hbc_northern_department_servants_engagement.html.</p> <p>Database entry can be accessed here:</p> <p>https://pam.minisisinc.com/scripts/mwimain.dll/144/LISTINGS_IMAGES/LISTINGS_DET_IMAGES/SISN%20189710?sessionsearch</p> <p>(Note: Record has been digitized but files are too big to put online. Relevant images were provided to Mr. Turpin and attached to my affidavit.</p>
Joseph Turpin Biographical Sheet	<p>This is not an HBCA archival record but the biographical sheets can be accessed here:</p> <p>https://www.gov.mb.ca/chc/archives/hbca/biographical/index.html</p> <p>Below is an explanation sheet for occupational groups within HBC:</p> <p>https://www.gov.mb.ca/chc/archives/assets/docs/hbca/biographical/biographical_sheet_revealed.pdf</p>

EXHIBIT "C"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



A handwritten signature in blue ink is written over a horizontal line. The signature appears to be "J. Seba".

Signature of a Notary Public

Li, Vivian

Subject: URGENT Record Request: HBCA B.239/u/1 (Turpin) - Légal Deadline

From: +WPG136 - HBC Archive

Sent: April 28, 2026 3:13 PM

To: 'Robert Turpin' <rturpin15@gmail.com>

Subject: RE: URGENT Record Request: HBCA B.239/u/1 (Turpin) - Legal Deadline

Dear Robert Turpin,

Thank you for your inquiry. The reference B.239/u/1, which you provided below, is actually for the record *Northern Department servants' engagement register* and you can find more information in our online database, [here](#). We did have a look through this volume and there are no Turpins listed. The microfilm of this record has been digitized, if you would like to review it yourself, and the pdf copy is linked in our database.

We then searched our database and could find no exact match with the title you provided below, however we have another series titled simply *Servants' character and staff records*. Again, we reviewed the records in this series and there are no Turpins included.

We are not aware of records that specifically reference Mary Ann Turpin or Jean-Baptiste Turpin. However, previous archives staff created a biographical sheet for Joseph Turpin which notes references to him in HBC records. It can be found online here:

https://www.gov.mb.ca/chc/archives/_assets/docs/hbca/biographical/t/turpin_joseph.pdf. With the exception of the North West Company ledger, digital copies of these records are linked in our database and can be found at the links below. We do not normally provide the specific pages to clients since the records can be readily accessed online, but we have made an exception in this case. There were too many files to attach to this email, so they are available for you to download from Dropbox, here: <https://www.dropbox.com/sc/fo/xv2627i3pa7l3y32y8mx7/ALvVbu7TF7O6P4TFEAAQj4o?rlkey=dods9ae0bli4uib3ymc9q4h0k&st=n87fm0lm&dl=0>

[F.4/32 North West Company ledger](#)

[B.115/d/7 Lesser Slave Lake equipment book](#)

[B.239/g/1 Northern Department abstracts of servants' accounts, 1821-1822](#)

[B.239/g/2 Northern Department abstracts of servants' accounts, 1822-1823](#)

[B.239/g/3 Northern Department abstracts of servants' accounts, 1823-1824](#)

[B.239/g/4 Northern Department abstracts of servants' accounts, 1824-1825](#)

[E.5/3 Census returns for Red River Settlement, 1829](#)

[E.5/5 Census returns for Red River Settlement and Grantown, 1831](#)

[E.5/6 Census returns for Red River Settlement and Grantown, 1832](#)

Please let me know if you have any questions.

Sincerely,

Julianna Trivers

Julianna Trivers (she/her)
Senior Archivist, Hudson's Bay Company Archives
Archives of Manitoba | 130-200 Vaughan Street | Winnipeg MB R3C 1T5

The Archives of Manitoba is located on Treaty 1 Territory and on the Homeland of the Red River Métis. The records at the Archives of Manitoba document life on these lands and beyond. We are committed to truth and reconciliation.

From: Robert Turpin <rturpin15@gmail.com>
Sent: April 24, 2026 11:20 AM
To: +WPG136 - HBC Archive <hbc@gov.mb.ca>
Subject: URGENT Record Request: HBCA B.239/u/1 (Turpin) - Legal Deadline.

CAUTION: This email originated from an External Sender. Please do not click links or open attachments unless you recognize the source.

ATTENTION: ce courriel provient d'un expéditeur externe. Ne cliquez sur aucun lien et n'ouvrez pas de pièce jointe, excepté si vous connaissez l'expéditeur.

To the Hudson's Bay Company Archives,

I am requesting a digital copy of the records for **Mary Ann Turpin** and **Jean-Baptiste Turpin** contained within the following reference code:

- **Reference Code:** HBCA B.239/u/1
- **Title:** York Factory Servants' Characters and Staff Records

These documents are required for a matter currently before the Ontario Superior Court of Justice (Commercial List), Court File No. CV-25-00738613-00CL. The Court has granted a two-week window for the submission of this evidence.

Please provide high-resolution digital scans of any entries related to the individuals named above. Please let me know the cost and the fastest method for payment so this request can be processed immediately.

Thank you for your assistance.

Robert René Turpin

rturpin15@gmail.com

(1-807-889-1182)



EXHIBIT "D"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026

A handwritten signature in blue ink is written over a horizontal line. The signature appears to be "K. Epp" in a cursive style.

Signature of a Notary Public

HUDSON'S BAY COMPANY
 1 2 3 4 5 6
 B.239/gA
 COPYRIGHT PHOTOGRAPH-NOT TO BE REPRODUCED PHOTOGRAPHICALLY OR OTHERWISE WITHOUT PERMISSION OF THE HUDSON'S BAY COMPANY, LONDON

Rank	Name	Age	Parish	Capacity	Distinction	Balance	Shoes	Blankets	Other
	And Francis	37 1/2	4	3009	10	275	125	125	125
		45 1/2	17	3700	17				
Surgeon	John	17	-	-	P.L. 1812	11		125	125
St. Lawrence	John			2022	10	10	125	125	125
St. Lawrence	John			26	11	11	125	125	125
St. Lawrence	John	10 1/2	8		10	10	125	125	125
St. Lawrence	John	14 1/2	8		10	10	125	125	125
St. Lawrence	John	16 1/2	8		10	10	125	125	125
St. Lawrence	John	18 1/2	8		10	10	125	125	125
St. Lawrence	John	20 1/2	8		10	10	125	125	125
St. Lawrence	John	22 1/2	8		10	10	125	125	125
St. Lawrence	John	24 1/2	8		10	10	125	125	125
St. Lawrence	John	26 1/2	8		10	10	125	125	125
St. Lawrence	John	28 1/2	8		10	10	125	125	125
St. Lawrence	John	30 1/2	8		10	10	125	125	125
St. Lawrence	John	32 1/2	8		10	10	125	125	125
St. Lawrence	John	34 1/2	8		10	10	125	125	125
St. Lawrence	John	36 1/2	8		10	10	125	125	125
St. Lawrence	John	38 1/2	8		10	10	125	125	125
St. Lawrence	John	40 1/2	8		10	10	125	125	125
St. Lawrence	John	42 1/2	8		10	10	125	125	125
St. Lawrence	John	44 1/2	8		10	10	125	125	125
St. Lawrence	John	46 1/2	8		10	10	125	125	125
St. Lawrence	John	48 1/2	8		10	10	125	125	125
St. Lawrence	John	50 1/2	8		10	10	125	125	125
St. Lawrence	John	52 1/2	8		10	10	125	125	125
St. Lawrence	John	54 1/2	8		10	10	125	125	125
St. Lawrence	John	56 1/2	8		10	10	125	125	125
St. Lawrence	John	58 1/2	8		10	10	125	125	125
St. Lawrence	John	60 1/2	8		10	10	125	125	125
St. Lawrence	John	62 1/2	8		10	10	125	125	125
St. Lawrence	John	64 1/2	8		10	10	125	125	125
St. Lawrence	John	66 1/2	8		10	10	125	125	125
St. Lawrence	John	68 1/2	8		10	10	125	125	125
St. Lawrence	John	70 1/2	8		10	10	125	125	125
St. Lawrence	John	72 1/2	8		10	10	125	125	125
St. Lawrence	John	74 1/2	8		10	10	125	125	125
St. Lawrence	John	76 1/2	8		10	10	125	125	125
St. Lawrence	John	78 1/2	8		10	10	125	125	125
St. Lawrence	John	80 1/2	8		10	10	125	125	125
St. Lawrence	John	82 1/2	8		10	10	125	125	125
St. Lawrence	John	84 1/2	8		10	10	125	125	125
St. Lawrence	John	86 1/2	8		10	10	125	125	125
St. Lawrence	John	88 1/2	8		10	10	125	125	125
St. Lawrence	John	90 1/2	8		10	10	125	125	125
St. Lawrence	John	92 1/2	8		10	10	125	125	125
St. Lawrence	John	94 1/2	8		10	10	125	125	125
St. Lawrence	John	96 1/2	8		10	10	125	125	125
St. Lawrence	John	98 1/2	8		10	10	125	125	125
St. Lawrence	John	100 1/2	8		10	10	125	125	125

Bill No.	Bill Date	Bill Amt	Balance	Debit	Credit	Remarks
5100		416.40	5700.00			
		5700.00				
		355.00		355.00		
		111.16		111.16		
		162.14		162.14		
		778.80		778.80		
		131.00		2,987.00	778.80	
		426.00		426.00		
		763.00		763.00		
		427.00		427.00		
		795.00		795.00		
		281.00		281.00		
		1067.60		1067.60		
		223.00		223.00		
		320.10		320.10		
		76.40		76.40		
		489.20		489.20		
		187.14		187.14		
		95.19		95.19		
		153.16		153.16		
		1204.10		1204.10		
		653.14		653.14		
		1032.90		1032.90		
		477.00		477.00		
		5100				

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HUDSON'S BAY COMPANY
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No.	Name	Age	Rank	Capacity	District	No. of Contract Years Served	Balance 1st June 1822		Wages	Profits		Admission to Privileges	
							Dr.	Cr.		Dr.	Cr.		
	Account						336203	207205	69437	22764	7446	2171	
							256203	208743	70	1200		2171	
702	Christensen	Leut			Albatross								
703	Therion	Pir			St. John's		763	10	700				
740	Shibull	Shanty			Trinity			520	1	700			
741	Byfault	Leut			St. John's		61	1	800				
742	Trompeter	St.			Albatross			1774	10	1200			
743	David	Leut			St. John's		439	1	800				
744	Leut	St.			Albatross			173	10	800			
745	Trompeter	St.			St. John's			162	10	700			
746	Trompeter	St.			St. John's		223	10	500				
747	Trompeter	St.			St. John's		36		900				
748	Trompeter	St.			St. John's		1026		700			907	
749	Trompeter	St.			St. John's			427	10	500			
750	Shanty	Leut			St. John's		368	10	700				
751	Shanty	Leut			Albatross			620	10	1000			
752	Shanty	St.			St. John's			2724	10	1000			
753	Shanty	St.			St. John's			78	24	900			
754	Shanty	St.			St.		352	10	600				
755	Shanty	St.			St.			223		700			
756	Shanty	St.			St.			355	10	1000			
757	Shanty	St.			St.			10		900			
Carried forward							462281	174131	74	22764	15	7446	2171
							208743	61118					

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File No.	Name	Age	Rank	Capacity	District	No. of Combined Years Service expires	By Incent 1st Jan.		Wages	Gratuities		Assigned to Reserve						
							1885	07		07	07							
	<i>Colonists Cont - of what are forward</i>						218	11	1885	1	6	120	5	11	1885	1	5	
118	Lavoque	Barre								5	10	5						
7	Lieutenant	Sgt								128	9	11						
8	Mac Gillis	Sergeant								184	5	5						
9	Mac Coy	Sergeant								30	11	9						
120	Macdonald	Sergeant								270	17	2						
1	Macdonald	Sergeant								1	9	1						
4103	2	Macdonald	Sergeant							118	2	3						
3	Macdonald	Sergeant								11	5	1						
4	Macdonald	Sergeant								11	11	1						
5	Macdonald	Sergeant								28	11	7						
6	Macdonald	Sergeant								5	11	3						
7	Macdonald	Sergeant								11	10	9						
8	Macdonald	Sergeant								2	1	1						
9	Macdonald	Sergeant																
120	Macdonald	Sergeant								17	2	7						
1	Macdonald	Sergeant																
2	Macdonald	Sergeant																
3	Macdonald	Sergeant								23	11	1						
4	Macdonald	Sergeant								31	11	5						
125	Macdonald	Sergeant																
	<i>Cont - forward</i>						240	10	11	282	5	5	126	5	11	1885	1	5

Accounts and Advances
at
LONDON MONTREAL

Book Debits
LONDON MONTREAL

Balance 1st June
1884

Real Debit...
Wages
since 1st June.

Handwritten notes and numbers on the left margin.

Dr.	Cr.	Remarks
14 2 1	19 3 1	
5 5 9		
11 7 4		
13 4 4		
25 1 6		
4 2 4		
1 15 1		
25 7		
11 5		
4 9 2		
2 10 3		
5 2 2		
3 17 1		
11 3		
1 11		
6 17		
4 11 2		
11 10		
35 10 6		
35 10 1		
22 15 11		
5 12 4		
498 18 9	187 8 1	

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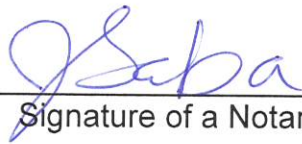
HUDSON'S BAY COMPANY
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Roll	No.	Name	Age	Rank	Capacity	District	No. of Contract Years service expired	Balance 1st Jan. 1824	C.	Wages	Substance of Inventory taken at departure	Of value for outfit during	Equipment in possession
<i>Colonists</i>								<i>£ 157 10 4</i>	<i>2222</i>	<i>11 10 15</i>	<i>1112 5 11</i>	<i>265 10 1</i>	<i>252 10 1</i>
1697	220	<i>Keyser</i>	<i>41</i>	<i>Mid</i>									
169	221	<i>Thomas</i>	<i>37</i>	<i>Serjt</i>									
210	222	<i>Stuyfvaert</i>	<i>36</i>	<i>Serjt</i>				<i>10</i>	<i>7 3</i>				
217	223	<i>Carpin</i>	<i>36</i>	<i>Serjt</i>				<i>5</i>	<i>13 4</i>				
175	224	<i>May, or Kuyper</i>	<i>36</i>	<i>Serjt</i>									
222	225	<i>Widmark</i>	<i>36</i>	<i>Serjt</i>				<i>11</i>	<i>16 5</i>				
159	226	<i>Willebrord de Hoffmans</i>											
204	227	<i>Winnette dit Savante</i>	<i>35</i>	<i>Serjt</i>				<i>17</i>	<i>7</i>		<i>92 10 9</i>		
221	228	<i>Winnette dit Savante</i>	<i>34</i>	<i>Serjt</i>				<i>3</i>	<i>16 10</i>				
225	229	<i>Winnette</i>	<i>34</i>	<i>Serjt</i>				<i>4</i>	<i>10 2</i>				
227	231	<i>Whitford</i>	<i>34</i>	<i>Serjt</i>					<i>5</i>				
208	232	<i>Whitney</i>	<i>33</i>	<i>Serjt</i>									
111	233	<i>Richard</i>	<i>32</i>	<i>Serjt</i>									
231	234	<i>Winnette</i>	<i>31</i>	<i>Serjt</i>									
		<i>Hills</i>	<i>30</i>	<i>Serjt</i>									
								<i>£ 157 10 4</i>	<i>2222</i>	<i>11 10 15</i>	<i>1112 5 11</i>	<i>265 10 1</i>	<i>252 10 1</i>

Payments and Advances to ENGLISH MONTREAL	Bank Date.	Cheque No.	Amount Paid	Date	Bk. on London.	Bk. on Montreal.	By Cheque	By Transfer	Options of Dec.		Remarks	1834
									Dr.	Cr.		
55000	2000	107	212 1/2	2000	15	15	10	10	10	10	10	10
	21	6										
	49	16		10 1/2								
	10	410										
	5	12 1/2										
	1	27										
	1	1 1/2										
	17	1/2										
	4	9 1/2										
		5										
	27	11 1/2										
	20	9 1/2										
	1	1										
57000	2000	107	212 1/2	2000	15	15	10	10	10	10	10	10

THE MERCHANTS BANK COMPANY
 1 2 3 4 5 6 7 8 9 10 11 12
 B.239/g/4
 CONTRACT MERCHANTS BANK ACT TO BE
 OBSERVED WITHOUT REFERENCE TO
 THE MERCHANTS BANK COMPANY LONDON

EXHIBIT "E.1"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026

A handwritten signature in blue ink, appearing to read "Saba", is written over a horizontal line.

Signature of a Notary Public



S. J. of Canada
No. 11th. 1877

Names	Males	Religion	Country	Married	Unmarried	Women	Under 16	Over 16	Total	Agriculture	Manufacturing	Retail	Public	Merch.	Prof.	Bula	Oxen	Cows	Cattle	Swine	Carts	Ploughs	Horses	Wheats	Linn.	Land cultivated	Acre	Remarks
Matha Laroui	46	Rom.	Canada	1	1	2	1	2	2							1	2	2	3	1	1	1	1	1	1	1	7	
Joseph Quintalle	50	Rom.	Canada	1	1			1	1							2	2	2	4	1	1	1	1	1	1	1	7	
Fran. Merin	34	Rom.	Canada	1	1													1								3	3	
Pierre Lavoie	42	Rom.	Canada	1	1			1	1										3							1	2	
B. Lavigne	42	Rom.	Canada	1	1	1	1	1	2							1	2	4	1	7	1	1	1	1	1	1	7	
Joseph Landrie	52	Rom.	Canada	1	1	3	4	1	1									1	1	1						1	6	
Michele Leac	35	Rom.	Canada	1	1	1	1	1	1																	1	2	
Jean Lemke	3	Rom.	Canada	1	1	4		1	1																		2	
hinduski		Rom.	Canada	1																								
Joseph Desjardins		Rom.	Canada	1	1	1	3	1									2	1	2							1	3	
Charles Lavoie	35	Rom.	Canada	1	1	2	1	1	1							4	6	5	8		1	1	1	1	1	1	10	
Bastienche		Rom.	Canada	1				1	1							1	2	1								1	6	
Auguste Desjardins	51	Rom.	Canada	1	1			1	1							7	3	3	7	1	1	1	1	1	1	1	7	
B. Maurice		Rom.	Canada	1	1	3	2	1																			3	
S. Paul Lavigne	37	Rom.	Canada	1	1	1	1	1									1									1	4	
Louis Verreil		Rom.	Canada	1	1														1								4	
Fran. Dubin	42	Rom.	Canada	1	1	2	1	2	1										1								4	
Joseph Desjardins	44	Rom.	Canada	1	1	1	3	1	1								4	1								1	7	
Pierre Lavigne	47	Rom.	Canada	1	1			1	1																	1	4	
Francois Lavoie	32	Rom.	Canada	1	1	2	1	1											1								6	
B. Coite	37	Rom.	Canada	1	1	1	2	3	1																		1	
B. Mercet	35	Rom.	Canada	1	1	2	1																				1	
B. Desjardins	45	Rom.	Canada	1	1	3	2									1	1	1	2							1	3	
Joseph Desjardins	54	Rom.	Canada	1	1	2	1	1								1											4	
Bouyer	53	Rom.	Canada	1																								
St. Quintalle	44	Rom.	Canada	1																							2	
Richard	40	Rom.	Canada	1	1			4	1							1			2							1	4	
Levesque	50	Rom.	Canada	1	1	3	1																			1	4	
Richard Lavigne	52	Rom.	Canada	1		1	1									1	1	1								1	3	
La Roche	50	Rom.	Canada	1	1	3	1												1							1	4	



EXHIBIT "E.2"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



J. Babu

Signature of a Notary Public

EXHIBIT "E.3"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be "K. Epp".

Signature of a Notary Public

EXHIBIT "F"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



A handwritten signature in blue ink, appearing to read "J. Saba", is written over a horizontal line.

Signature of a Notary Public

EXHIBIT "G"
referred to in the supplemental affidavit of
KATHLEEN EPP
Affirmed June 4, 2026



K. Epp

Signature of a Notary Public

D. *John Ferguson*

1820	To Balance of 1819	255	1819	By Balance brought forward	255
	To Balance	241	1820	By George	240
		496			495
	To drawing of 1819	10		By Balance	241
	To drawing of 1820	215	1820	By wages	200
1821	To Balance	481			481
		1001			1001
				By Balance	1001

D. *Joseph Ferguson*

1819	To Balance of 1818	711	1818	By George	400
1820	To Balance	16	1820	By Balance	85
		727			727
	To Balance	88	1821	By wages	760
	To drawing of 1820	620	1821	By Balance	5 11
		708			708
1821	To Balance	7 11			7 11

D. *Thomas Jamieson*

1820	To Balance of 1819	287 10	1819	By Balance brought forward	287 10
	To Balance	466 5	1820	By George	600
		1228 15			1228 15
	To drawing of 1820	358	1821	By Balance	411 5
1821	To Balance	181 5	1821	By wages	500
		362 5			362 5
				By Balance	181 5

D. *John Ferguson*

1819	To drawing of 1818	270 15	1818	By George	250
	To drawing of 1819	10	1819	By Balance	100 15
1820	To drawing of 1819	10			260 15
		280 15			260 15
	To Balance	180 15	1821	By wages	200
	To drawing of 1820	200	1821	By Balance	100 5
		380			380
1821	To Balance	380			380
	To drawing of 1820	200			580

THE GREAT BRITISH AND IRELAND FIRE INSURANCE COMPANY LIMITED
 F 4/32
 SCOTLAND: HENDERSON & CO. LTD. 10, N. BRIDGE STREET, GLASGOW.
 ENGLAND: HENDERSON & CO. LTD. 10, N. BRIDGE STREET, LONDON.

TAB 2

Court File No.

**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
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC BAY
HOLDINGS I INC., HBC BAY HOLDINGS II ULC, 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., and 2472598 ONTARIO INC.**

Applicants

**AFFIDAVIT OF JENNIFER BEWLEY
(Sworn March 7, 2025)**

I, Jennifer Bewley, of the City of New York, in the State of New York, MAKE
OATH AND SAY:

1. I am the Chief Financial Officer of Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI ("**Hudson's Bay**" or the "**Company**"), HBC Canada Parent Holdings Inc. ("**Hudson's Bay Parent 1**"), HBC Canada Parent Holdings 2 Inc. ("**Hudson's Bay Parent 2**"), and The Bay Holdings ULC ("**The Bay Holdings**"), the Assistant Treasurer of HBC Bay Holdings I Inc. ("**Hudson's Bay Holdings 1**") and HBC Bay Holdings II ULC ("**Hudson's Bay Holdings 2**"), and the Treasurer of RioCan-HBC General Partner Inc. ("**RioCan-Hudson's Bay GP**"). I have held these and other roles with Hudson's Bay Canada (as defined below) and their affiliates over the course of my career with Hudson's Bay, having started with the Company in 2018.

2. Together with other members of management, I am responsible for overseeing the Companies' liquidity management and restructuring efforts. As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records, press releases, and public filings of Hudson's Bay Canada and have spoken with certain of the directors, officers and/or employees of Hudson's Bay Canada, as necessary. Where I have relied upon such information, I believe such information to be true.

3. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

4. This affidavit is sworn in support of the application (the “**Application**”) by Hudson’s Bay, Hudson’s Bay Parent 1, Hudson’s Bay Parent 2, The Bay Holdings, Hudson’s Bay Holdings 1, Hudson’s Bay Holdings 2, HBC Centerpoint GP Inc. (“**Centerpoint GP**”), HBC YSS 1 LP Inc. (“**YSS 1 LP**”), HBC YSS 2 LP Inc. (“**YSS 2 LP**”), HBC Holdings GP Inc. (“**Hudson’s Bay Holdings GP**”), Snospmis Limited (“**Snospmis**”), 2472596 Ontario Inc. (“**596 Ontario**”), 2472598 Ontario Inc. (“**598 Ontario**”, and collectively, the “**Applicants**” or the “**Companies**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Applicants are seeking an initial order (the “**Initial Order**”) in the form of the draft order included at Tab 3 of the Application Record:

- (a) declaring that each of the Applicants is a debtor company to which the CCAA applies;
- (b) declaring that HBC Holdings LP (“**Hudson’s Bay Holdings LP**”), RioCan-Hudson’s Bay GP, RioCan-HBC Limited Partnership (“**RioCan-Hudson’s Bay JV**”), RioCan-HBC (Ottawa) Holdings Inc. (“**RioCan-Hudson’s Bay Ottawa Holdings**”), RioCan-HBC (Ottawa) GP, Inc. (“**RioCan-Hudson’s Bay Ottawa GP**”), RioCan-HBC (Ottawa) Limited Partnership (“**RioCan-Hudson’s Bay Ottawa LP**”), HBC YSS 1 Limited Partnership (“**YSS 1**”), HBC YSS 2 Limited Partnership (“**YSS 2**”), HBC Centerpoint LP (“**Centerpoint LP**”), and The Bay Limited Partnership (“**The Bay LP**”) (collectively, the “**Non-Applicant Stay Parties**”, and together with the Applicants, “**Hudson’s Bay Canada**”) shall have the benefits of the protections and authorizations provided in the Initial Order;
- (c) staying proceedings and remedies taken or that might be taken against or in respect of Hudson’s Bay Canada, their assets, properties, and undertakings (the “**Property**”), their business, or their directors and officers (the “**D&Os**”), except as otherwise set forth in the Initial Order, (the “**Stay**”) for an initial period of ten (10) days (the “**Stay Period**”);
- (d) staying the payment of rent from Hudson’s Bay to RioCan-Hudson’s Bay JV, YSS 1, or YSS 2, as applicable, other than post-filing rent due to the landlords under the JV Head Leases (as defined below);
- (e) granting Hudson’s Bay and The Bay LP continued and uninterrupted access to the Bank Accounts (as defined herein), with the associated banks not having the

power to restrict the Companies' rights in any way in respect of the Bank Accounts associated with the Cash Management System (as defined herein);

- (f) appointing Alvarez and Marsal Canada Inc. ("**A&M**" or the "**Proposed Monitor**") as an officer of this Court in these CCAA Proceedings to monitor the assets, business and affairs of the Applicants (once appointed in such capacity, the "**Monitor**");
- (g) approving a Junior DIP Term Sheet (the "**DIP Agreement**") dated as of March 7, 2025, between Hudson's Bay, as borrower, the Guarantors (as defined below), as guarantors, Restore Capital, LLC ("**Restore**") as Agent (in such capacity, the "**DIP Agent**") and HCS 102, LLC, as lender (in such capacity, the "**DIP Lender**"), pursuant to which the DIP Lender has agreed to advance to the Companies, a total principal amount of up to \$16,000,000 (the "**DIP Facility**");
- (h) authority for the Applicants to pay pre-filing amounts to certain suppliers that provide the Applicants with essential services and/or products (the "**Critical Suppliers**");
- (i) granting the following priority charges against the Property (the "**Charges**"):
 - i. an "**Administration Charge**" against the Property in the initial amount of \$2,800,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposed Monitor, counsel to the Proposed Monitor, and counsel to the Companies in connection with the CCAA Proceedings both before and after the making of the Initial Order;
 - ii. a "**Directors' Charge**" against the Property in the initial amount of \$26,300,000 as security for the Companies' obligation to indemnify the D&Os for obligations and liabilities they may incur in such capacities after the commencement of the CCAA Proceedings, including with respect to unpaid accrued wages, unpaid accrued vacation pay, and unremitted sales, goods and services, and harmonized sales taxes which may have accrued prior to the commencement of the CCAA Proceedings, but which may become due and payable after the commencement of these

proceedings, except to the extent that such obligation or liability was incurred as a result of a D&O's gross negligence or wilful misconduct; and

- iii. a “**DIP Lenders’ Charge**” against the Loan Parties’ Property (as defined below) as security for the Companies’ obligations under the DIP Agreement.

5. Copies of the below-referenced credit agreements, guarantees, and security documents have not been attached to this affidavit given their length. However, copies will be made available on the Monitor’s webpage at: alvarezandmarsal.com/HudsonsBay

6. This affidavit is organized into the following sections:

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I. OVERVIEW¹

7. Hudson's Bay is the oldest company in North America and is Canada's most prominent department store currently operating 80 full line Hudson's Bay-branded stores, three stores operating under a license agreement as "Saks Fifth Avenue" and 13 stores operating under a license agreement as "Saks OFF 5TH" across Canada. Hudson's Bay was founded in 1670 when it was granted a right of sole trade and commerce over an expansive area of land known as Rupert's Land, which included what is today, the whole of Manitoba, most of Saskatchewan, the southern parts of Alberta and Nunavut, and the northern parts of Ontario and Québec. By the middle of the nineteenth century, Hudson's Bay evolved into a mercantile business selling a wide variety of products from furs to fine homeware in shops across Canada. Hudson's Bay officially became a Canadian company in 1970, when it rechartered under Canadian law.

8. Hudson's Bay continued to expand its business during the twenty-first century. Hudson's Bay and its subsidiaries collectively operated as a premier North American department store retailer with a portfolio of real estate assets in Canada. In November 2012, Hudson's Bay completed an initial public offering of its common shares, which traded on the Toronto Stock Exchange. In 2013, Hudson's Bay acquired Saks Incorporated, which at that time operated luxury

¹ Capitalized terms used in this section and not otherwise defined have the meanings given to them in the rest of this affidavit.

department stores in the United States under the banners of “Saks Fifth Avenue” and “Saks OFF 5TH”.

9. In the past decade, the rapidly evolving retail landscape posed significant challenges to department stores in North America. Brick-and-mortar stores struggled to compete with e-commerce players, resulting in a shift of sales to on-line commerce and a decline in traffic at stores. Hudson’s Bay was impacted by these macro trends, which negatively affected its financial and operating results, as well as its real estate assets.

10. As a result of these operational and financial challenges, on March 3, 2020, a group of Hudson’s Bay’s then-existing shareholders completed the privatization of Hudson’s Bay. The privatization of Hudson’s Bay was intended to, among other things, permit Hudson’s Bay to reposition its operations without public market pressures and costs and focus on long-term growth strategies, including strategies centered on its real estate assets.

11. Contemporaneously with the privatization transaction, Saks Incorporated, now operating as “Saks Global”, together with its U.S. subsidiaries, became a “sister company” and affiliate of Hudson’s Bay, together with its Canadian subsidiaries. Between 2020 and 2024, Hudson’s Bay and Saks Global shared the same ownership group and were financed as a single credit group for purposes of their credit facilities, while trade creditors and other service providers, with certain exceptions, transacted with each business independently.

12. Almost immediately after Hudson’s Bay went private, between March 13, 2020, and March 22, 2020, all Canadian provinces declared a state of emergency and implemented lockdown measures in response to COVID-19, which resulted in a significant decline in foot traffic at Hudson’s Bay’s stores across Canada. Canadian retail, and particularly large-format department stores, faced some of the strictest and most prolonged pandemic-related restrictions globally.

13. The lasting impact of pandemic-related closures in Canada continues to reshape consumer behavior, most notably through the widespread adoption of remote work. This shift has placed additional economic pressure on the brick-and-mortar retail sector, particularly affecting traditional department stores like Hudson’s Bay. The company’s flagship downtown stores have been disproportionately impacted, as they historically relied on office workers and commuters for a significant portion of their revenue. At the same time, these locations represent some of Hudson’s Bay’s highest-cost operations due to rent and other expenses, further exacerbating Hudson’s Bay’s financial challenges.

14. Many Canadian retailers have experienced similar financial challenges and were forced to commence insolvency proceedings, including Reitmans, Aldo, Aeropostale, American Apparel, Mexx, Forever XXI, Target Canada, Sears Canada, Nordstrom Canada, Ted Baker Canada, Bed Bath & Beyond Canada, and Comark.

15. As described in greater detail below, Hudson's Bay made several attempts to address its financial and operational challenges since its privatization. Among other things:

- (a) in 2020, the Company secured a vendor insurance program provided by Export Development Canada ("**EDC**"), which covered inventory receipts from Canadian vendors until the program's expiration in 2024;
- (b) the Company pursued an aggressive e-commerce expansion strategy to mitigate the decline in foot traffic at its retail stores and between 2021 and 2022, invested approximately \$130,000,000 into e-commerce infrastructure, logistics, and marketing;
- (c) in 2023 and 2024, the Company executed a series of cost-cutting measures and pursued liquidity-enhancing initiatives, including: (i) reducing its workforce and marketing budgets; (ii) after approaching several institutional clients, lenders, and landlords, securing \$200,000,000 in financing from an affiliate of Cadillac Fairview and a subsidiary of the Ontario Teachers' Pension Plan to support its Canadian retail operations; (iii) monetizing leases, whereby the Company equitized valuable lease rights and reinvested the proceeds into its retail operations; (iv) engaging third parties to facilitate vendor financing programs; and (v) appointing a new Chief Executive Officer ("**CEO**") to lead the Company's turnaround efforts.

16. In December 2024, Saks Global acquired Neiman Marcus, another U.S. luxury retailer (the "**Neiman Marcus Transaction**"). As described in greater detail below, the Neiman Marcus Transaction significantly reduced the funded debt obligations on Hudson's Bay's Canadian business while Hudson's Bay's Canadian business became separately financed with its standalone credit facilities.

17. Most recently, the ongoing trade tensions with the United States, the threat of tariffs, retaliatory tariffs, and the newly imposed tariffs (the "**Trade War**"), have created uncertainty in financial markets, making refinancing more difficult and costly for businesses in Canada. While

tariffs directly affect trade, they also have far-reaching secondary effects, such as higher borrowing costs, increased cost of goods, depressed real estate valuations, currency fluctuation, and lower consumer and lender confidence.

18. Earlier this year, Hudson's Bay had advanced discussions with potential lenders regarding financing commitments. Until recently, the Company was confident it could refinance all or a portion of its Credit Facilities and improve its liquidity position to continue to execute on its business plan. However, the Trade War and the ensuing uncertainty in financial markets made it extremely challenging for Hudson's Bay to raise incremental financing and monetize its real estate assets. Accordingly, the potential lenders that Hudson's Bay had advanced discussions with were ultimately not willing to provide any financing to improve Hudson's Bay's liquidity position. As a result, in spite of the Company's best efforts, it could not avoid the liquidity crisis that it faces today.

19. As a result of the circumstances described above, Hudson's Bay is facing significant challenges to its ability to make payments, including to its landlords, service providers, and vendors. The Company has had to defer certain payments for many months. Most recently, it has been unable to pay certain critical trade creditors in the ordinary course of business, and absent additional funding, will be unable, within the next several days, to meet its employee payroll obligations. Without the benefit of Court protection, failure by Hudson's Bay to pay rent at its stores will result in a rapidly escalating chain of events, leading to lease defaults, head lease defaults, direct defaults on real estate financing incurred by members of Hudson's Bay Canada and other financing, as well as cross-defaults with other real estate financing and on its Credit Facilities.

20. In light of its current financial crisis, Hudson's Bay Canada urgently requires a stay of proceedings granted under the CCAA, along with related relief. The CCAA Proceedings will enable the Companies to access the DIP Facility and secure interim financing, providing Hudson's Bay Canada with the necessary breathing room to implement a strategy that addresses its financial challenges while maximizing the value of its businesses. As part of this process, Hudson's Bay Canada plans to: (a) facilitate an orderly liquidation of selected retail stores; (b) monetize certain retail leases that hold value due to below-market rent; and (c) realign its operations around a core group of high-performing retail locations.

II. CORPORATE STRUCTURE

A. Hudson's Bay

21. Hudson's Bay was most recently amalgamated under the *Canada Business Corporations Act* on February 1, 2015, and continued under the *Business Corporations Act* (British Columbia) as an unlimited liability company on May 28, 2020. Hudson's Bay's registered office is located at Suite 1700, Park Place, 666 Burrard Street in Vancouver, British Columbia.

22. Hudson's Bay is the main operating retail entity in Hudson's Bay Canada and is the core business unit responsible for conducting Hudson's Bay Canada's primary business activities. Among other things, Hudson's Bay: (a) is the sole borrower under the Companies' Credit Facilities; (b) is the retail tenant named in each of the retail store leases and subleases from which Hudson's Bay carries on its retail store business; (c) is the counterparty to nearly all of Hudson's Bay Canada's main operating contracts; (d) exercises governance functions over its subsidiaries and manages Hudson's Bay Canada's strategic oversight; and (e) employs the majority of Hudson's Bay Canada's employees. As such, Hudson's Bay generates most of Hudson's Bay Canada's revenue and incurs most of Hudson's Bay Canada's expenses.

23. Hudson's Bay operates department stores throughout Canada under the well-known banner, "Hudson's Bay" and online under the well-known banner, "The Bay". The Company also operates luxury retail stores at certain locations in Canada under the "Saks Fifth Avenue" and "Saks OFF 5TH" banners pursuant to a license agreement. In addition to its retail store operations, Hudson's Bay, directly and through its subsidiaries, also owns and manages a diverse portfolio of real estate assets (including both freehold and head leasehold interests).

24. Hudson's Bay is the ultimate parent company of each of Hudson's Bay Canada other than Hudson's Bay Parent 1 and Hudson's Bay Parent 2.

B. Guarantors Under the Hudson's Bay Credit Facilities

25. As set out in greater detail below, Hudson's Bay relies on the Credit Facilities to fund its retail operations in the ordinary course of business.

26. Each of Hudson's Bay Parent 1, Hudson's Bay Parent 2, The Bay LP, The Bay Holdings, Hudson's Bay Holdings 1, and Hudson's Bay Holdings 2 (collectively, the "**Guarantors**") are

guarantors under the Credit Facilities, guaranteeing all the obligations of Hudson's Bay under the Credit Facilities.

27. Hudson's Bay Parent 1, Hudson's Bay Parent 2, The Bay Holdings, Hudson's Bay Holdings 1, and Hudson's Bay Holdings 2 are holding companies that do not carry out any active operations.

28. The Bay LP owns various trademarks, tradenames, and/or other intellectual property rights including, among others, "Hudson's Bay", "The Bay", "Hudson North", "Bay Days", "Zellers", and "Zellers Marketplace", all of which are used by Hudson's Bay pursuant to a continued right to use in its retail store operations.

29. The Bay LP also owns domain names such as "thebay.com", which is also used by Hudson's Bay pursuant to a continued right to use for its e-commerce operations.

C. RioCan-Hudson's Bay JV and the Non-Applicant Stay Parties

30. RioCan-Hudson's Bay JV is Hudson's Bay's primary real estate subsidiary and an integral part of Hudson's Bay Canada. RioCan-Hudson's Bay JV is a joint venture between Hudson's Bay and RioCan Real Estate Investment Trust ("**RioCan**") that was formed in 2015.

31. RioCan-Hudson's Bay JV, together with its subsidiaries, YSS 1, YSS 2, RioCan-Hudson's Bay Ottawa LP, and certain of the Non-Applicant Stay Parties, owns twelve separate freehold or head leasehold interests in Canadian real property which, with one exception (being Hudson's Bay's head lease interest in Centrepoint Mall), represents all of Hudson's Bay Canada's freehold real property interests and head leasehold interests (other than the Hudson's Bay retail store leases which are held directly by Hudson's Bay). At the properties owned by RioCan-Hudson's Bay JV and its subsidiaries, Hudson's Bay operates 12 retail stores in premises leased or subleased to it by RioCan-Hudson's Bay JV and its subsidiaries.

32. RioCan-Hudson's Bay JV's assets are limited to Canadian real property, and it does not carry on any of the retail store operations of Hudson's Bay Canada at its locations.

33. As at the date of this affidavit, Hudson's Bay through its wholly owned subsidiary, Hudson's Bay Holdings LP, owns a 78.0136% interest as a limited partner in RioCan-Hudson's Bay JV and RioCan holds the remaining 21.9864% interest in RioCan-Hudson's Bay JV as a limited partner.

34. The general partner of RioCan-Hudson's Bay JV is RioCan-Hudson's Bay GP. Hudson's Bay Holdings GP, a wholly owned subsidiary of Hudson's Bay, has a 50% share ownership interest in RioCan-Hudson's Bay GP and RioCan Financial Services Limited has the remaining 50% share ownership interest in RioCan-Hudson's Bay GP.

35. Hudson's Bay Holdings GP is also the general partner of Hudson's Bay Holdings LP, which is one of the two limited partners of RioCan-Hudson's Bay JV.

36. As described below in greater detail, registered title to certain properties owned by RioCan-Hudson's Bay JV are held in the name of Hudson's Bay, Snospmis, 596 Ontario, and 598 Ontario, as nominees, as applicable. In each case where these entities hold nominal title, RioCan-Hudson's Bay JV owns the entire beneficial freehold or head leasehold interest, as applicable, in such properties and the nominee has no beneficial ownership interest in such properties. Each nominee is required to deal with these properties in accordance with the instructions of RioCan-Hudson's Bay JV. Each of Snospmis, 596 Ontario, and 598 Ontario are wholly owned subsidiaries of Hudson's Bay.

37. RioCan-Hudson's Bay JV owns its beneficial head leasehold interests in the Yorkdale store property and the Scarborough Town Centre store property through its subsidiary, YSS 1, and owns its beneficial head leasehold interest in the Square One store property through its subsidiary, YSS 2, through Hudson's Bay Holdings LP. RioCan-Hudson's Bay JV holds all (but one) of the limited partnership units in each of YSS 1 and YSS 2 through Hudson's Bay Holdings LP and the remaining limited partnership unit in each of YSS 1 and YSS 2 is held by YSS 1 LP and YSS 2 LP, respectively (both of which are wholly owned subsidiaries of Hudson's Bay).

38. The general partner of each of YSS 1 and YSS 2 is Hudson's Bay.

39. RioCan-Hudson's Bay JV's beneficial ownership in its Ottawa real property is held through its wholly owned subsidiary, RioCan-Hudson's Bay Ottawa LP and its general partner, RioCan-Hudson's Bay Ottawa GP. RioCan-Hudson's Bay Ottawa Holdings, a subsidiary of RioCan-Hudson's Bay JV, holds registered title to the Ottawa property as nominee for RioCan-Hudson's Bay Ottawa LP, which owns the entire beneficial fee simple and leasehold interests therein.

40. Hudson's Bay is the direct beneficial owner of one additional head leasehold interest in a store property located at Centrepoint Mall, Toronto, through its wholly owned subsidiary, Centerpoint GP, who is the general partner of Centerpoint LP.

D. Hudson's Bay Canada's Corporate Structure

41. Attached hereto as **Exhibit "A"** is a chart showing Hudson's Bay Canada's corporate structure, including the jurisdiction of incorporation for each entity.

III. HUDSON'S BAY CANADA'S BUSINESS AND OPERATIONS

A. Overview

42. Hudson's Bay Canada operates as a Canadian department store and luxury retailer with a portfolio of real estate assets located in Canada. Through this integrated approach, Hudson's Bay maximizes synergies between its real estate investments and retail operations in an effort to drive long-term growth and value creation.

43. Hudson's Bay's retail portfolio includes formats ranging from premier and luxury department stores to off-price retail, consisting of 80 full line department stores across Canada under the well-known banner "Hudson's Bay", three luxury retail stores under the well-known banner "Saks Fifth Avenue" pursuant to a license agreement and 13 discounted luxury retail stores under the well-known banner "Saks OFF 5TH" pursuant to a license agreement:

- (a) Hudson's Bay is a traditional department store with brick-and-mortar operations as well as an e-commerce platform. Its products include but are not limited to apparel, home goods, beauty and accessories;
- (b) Saks Fifth Avenue is a high-end luxury department store that carries designer fashion, accessories, beauty products, and home goods; and
- (c) Saks OFF 5TH is the off-price division of Saks Fifth Avenue, offering designer brands at discounted prices.

B. Hudson's Bay's Retail Stores

44. Hudson's Bay currently operates: (a) 80 retail stores as "Hudson's Bay" at locations in Ontario, British Columbia, Alberta, Québec, Manitoba, Nova Scotia, and Saskatchewan; (b) three retail stores as "Saks Fifth Avenue" in Ontario and Alberta pursuant to a license agreement; and (c) 13 retail stores as "Saks OFF 5TH" in Ontario, Alberta, British Columbia, Québec, and Manitoba pursuant to a license agreement. Two Hudson's Bay store locations (Queen Street,

Toronto and Rideau Centre, Ottawa) include multiple banners. The following chart sets out Hudson's Bay's current retail store locations by geographical region:

Province	Hudson's Bay	Saks Fifth Avenue	Saks OFF 5TH
Ontario	32	2	7
British Columbia	16	-	2
Alberta	13	1	2
Québec	13	-	1
Manitoba	2	-	1
Nova Scotia	2	-	-
Saskatchewan	2	-	-

45. Attached hereto as **Exhibit "B"** is a chart listing all of Hudson's Bay's retail store locations.

46. All these Hudson's Bay retail stores are leased or subleased by Hudson's Bay. Of the "Hudson's Bay" stores, 68 are leased from third-party landlords and 12 are leased or subleased from RioCan-Hudson's Bay JV or its subsidiaries. All three "Saks Fifth Avenue" stores operating pursuant to a license agreement are leased from a third-party landlord. 13 of the "Saks OFF 5TH" stores operating pursuant to a license agreement are leased from third-party landlords, and one is leased from RioCan-Hudson's Bay JV. Hudson's Bay's leases are generally located in malls, strip malls, and other shopping centres across Canada.

47. Many of the Hudson's Bay retail store leases include provisions that directly depend on or otherwise relate to Hudson's Bay's store operations, including:

- (a) *Department Store Use.* A large majority of the Hudson's Bay's retail store leases restrict the permitted uses of the leased premises to a retail department store and, in some cases, a first-class department store;
- (b) *Operating Covenants.* A large majority of Hudson's Bay's retail store leases contain operating covenants that require such stores to be continuously, diligently, and actively operated for specific periods of time; and
- (c) *Going-Out-of-Business Sale Restrictions.* Most of the Hudson's Bay's retail store leases contain prohibitions on liquidation or going out of business sales.

48. In connection with the Original Cadillac Credit Agreement (as defined below), Hudson's Bay entered into, *inter alia*, (a) a mass lease amending agreement "B" ("**Mass Lease Amending Agreement B**"), (b) a mass lease amending agreement "C" ("**Mass Lease Amending Agreement C**"), and (c) an undertaking and agreement (the "**Undertaking**"), each dated June 26, 2023 and among Hudson's Bay, The Cadillac Fairview Corporation Limited ("**CF**") and the landlord entities for each of the 15 CF leased properties described therein (the "**CF Leases**"). For clarity, these are all of Hudson's Bay's store leases with Cadillac Fairview and its affiliates, save and except for the Carrefour Laval and Promenades St. Bruno stores.

49. Pursuant to the Undertaking, the lease amendments made in Mass Lease Amending Agreement B and Mass Lease Amending Agreement C are not enforceable by Cadillac Fairview or its affiliates unless and until a Hudson's Bay default occurs under the Cadillac Credit Agreement (which includes a default under any of the CF Leases beyond a specified cure period). However, the occurrence of such a default, the amendments stipulated under Mass Amending Agreement B and Mass Amending Agreement C become enforceable immediately at the option of CF. Many of the Hudson's Bay lease rights which are deleted and/or amended by these lease amendments are typical anchor tenant consent and approval rights over redevelopment and other changes to the related shopping centre and for which Hudson's Bay negotiated and has held for many years.

50. These rights, collectively, have substantial value and if these lease amendments become enforceable, these amendments will be highly detrimental to Hudson's Bay. In effect, all of these lease rights will be forfeited to CF and its affiliates if, as a result of Hudson's Bay's default under the Cadillac Credit Agreement, CF elects to exercise its rights under the Undertaking.

C. RioCan-Hudson's Bay JV Leasehold Properties

(i) JV Head Leasehold Interest

51. As discussed above, RioCan-Hudson's Bay JV is Hudson's Bay's primary real estate subsidiary. Hudson's Bay has a 78.0136% interest as a limited partner in RioCan-Hudson's Bay JV through its wholly owned subsidiary, Hudson's Bay Holdings LP, and RioCan holds the remaining 21.9864% interest in RioCan-Hudson's Bay JV as limited partner.

52. RioCan-Hudson's Bay JV, together with its subsidiaries, YSS 1, YSS 2, RioCan-Hudson's Bay Ottawa LP (Ottawa), and certain of the Non-Applicant Stay Parties, owns twelve separate freehold or leasehold interests in Canadian real property which, with one exception (being

Hudson's Bay's head leasehold interest in Centrepoint Mall), represents all of Hudson's Bay Canada's real property interests and head leasehold interests (other than Hudson's Bay's retail store lease which are held directly by Hudson's Bay).

53. RioCan-Hudson's Bay JV's assets are limited to Canadian real property and it does not carry on any of the retail store operations of Hudson's Bay Canada at its locations. At each property owned by RioCan-Hudson's Bay JV and its subsidiaries, Hudson's Bay operates retail stores in premises leased or subleased to it by RioCan-Hudson's Bay JV.

54. The following paragraphs describe the freehold and head leasehold real property interests of RioCan-Hudson's Bay JV (which are separate and independent leasehold interests from the Hudson's Bay retail store subleases at each of these locations, which are held by Hudson's Bay directly) and the current retail property estate financing entered into by RioCan-Hudson's Bay JV and its subsidiaries which are secured by its interest in the JV Head Leases as defined in the next paragraph. RioCan-Hudson's Bay JV has a head leasehold interest in five separate Hudson's Bay retail stores at the same locations described below (the "**JV Head Leases**").

55. In 2015, as part of Hudson's Bay's business plan to monetize the value of these JV Head Leases and its other freehold properties, Hudson's Bay implemented an "propco-opco" structure (the "**PropCo-OpCo Structure**") in which: (a) RioCan-Hudson's Bay JV, YSS 1, and YSS 2, as applicable, acquired the tenant's head leasehold interests in these JV Head Leases from Hudson's Bay, and Hudson's Bay entered into subleases with RioCan-Hudson's Bay JV; and (b) RioCan-Hudson's Bay JV acquired freehold interests in seven other properties from Hudson's Bay, and Hudson's Bay entered into leases with RioCan-Hudson's Bay JV.

56. Below is a chart setting out the locations of these five JV Head Leases that are a part of the PropCo-OpCo Structure, the name of the current tenant under each JV Head Lease, and the current subtenant under the related Hudson's Bay store sublease.

Location	Landlord	Tenant	Subtenant
Square One Mississauga, ON	Square One Property Corporation	Hudson's Bay, in its capacity as general partner of YSS 2	Hudson's Bay
Scarborough Town Centre Scarborough, ON	Scarborough Town Centre Holdings Inc.	Hudson's Bay, in its capacity as general partner of YSS 1	Hudson's Bay

Yorkdale North York, ON	Yorkdale Shopping Centre Holdings Inc.	Hudson's Bay, in its capacity as general partner of YSS 1	Hudson's Bay
Carrefour Laval Laval, QC	Le Carrefour Laval REC Inc.	RioCan-Hudson's Bay JV	Hudson's Bay
St. Bruno St. Bruno, QC	Ontrea Inc.	RioCan-Hudson's Bay JV	Hudson's Bay

57. Under the five JV Head Leases that are part of the PropCo-OpCo Structure, the monthly rents payable by RioCan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable, to the third-party landlords under the JV Head Leases are below current market rents and the monthly rents payable by Hudson's Bay Company under the subleases for the same leased premises. The monthly rents paid to the landlords and the longer terms under the JV Head Leases reflect the leasing market at the time that the JV Head Leases were entered into. The higher rents under the 2015 Hudson's Bay retail store subleases payable by Hudson's Bay to RioCan-Hudson's Bay JV, YSS 1, and YSS 2, reflect the market rates for the Hudson's Bay store subleases in 2015.

58. RioCan-Hudson's Bay JV, YSS 1, and YSS 2 uses the rents paid by Hudson's Bay under its retail store subleases to fund monthly rents to the head landlords under the JV Head Leases, administrative expenses, and to make debt service payments to its lenders on property specific mortgages, as described below. RioCan-Hudson's Bay JV, YSS 1, and YSS 2, typically distributes the remaining rents received each month (net of the rents paid under the JV Head Leases rents and debt service payments due to its lenders) to its limited partners, Hudson's Bay Holdings LP and RioCan, as an equity distribution on a monthly basis (as RioCan-Hudson's Bay JV owns all (but one) of the limited partnership units in each of YSS 1 and YSS 2).

(ii) Yorkdale RBC Financing of the Yorkdale JV Head Lease

59. The head leasehold interest of YSS 1 in the Yorkdale JV Head Lease has been charged to Royal Bank of Canada ("**RBC**") as security for a \$75,000,000 first mortgage financing (the "**Yorkdale RBC Financing**") pursuant to a credit agreement between, among others, RBC, YSS 1 and RioCan (as guarantor) dated January 26, 2024 (the "**Yorkdale RBC Credit Agreement**"). The maturity date of the Yorkdale RBC Financing is January 2027.

(iii) JV Headleases at Square One and Scarborough Town Centre

60. The head leasehold interests of YSS 1 and YSS 2 in the JV Head Leases at Square One and Scarborough Town Centre are not subject to any property-specific real estate financing by RioCan-Hudson's Bay JV or its subsidiaries. However, the head leasehold interest in the JV Head Lease at Scarborough Town Centre store has been charged by YSS 1 to RioCan Property Services Trust as security for RioCan's guarantee of the Yorkdale RBC Financing. Similarly, RioCan-Hudson's Bay JV's freehold interests in Devonshire Mall in Windsor, Ontario and the downtown Montreal Property have also separately been charged or hypothecated by RioCan-Hudson's Bay JV as security for RioCan's guarantee in connection with the Yorkdale RBC Financing.

(iv) BMO First Mortgage Financing of the St. Bruno and Carrefour Laval JV Head Leases and the Freehold Interest in the Downtown Calgary Property

61. The head leasehold interests of RioCan-Hudson's Bay JV in the Carrefour Laval and St. Bruno JV Head Leases and the freehold interest of RioCan-Hudson's Bay JV in the downtown Calgary property have been charged or hypothecated to Bank of Montreal ("**BMO**") in connection with a \$105,000,000 first mortgage financing (the "**BMO First Mortgage Financing**") pursuant to an amended and restated credit agreement between BMO, Canadian Imperial Bank of Commerce, Bank of China (Canada), SBI Canada Bank, and Hudson's Bay Company Pension Plan as lenders, and RioCan-Hudson's Bay JV, as borrowers, dated as of May 31, 2024 (as amended by a first amendment dated February 21, 2025, the "**BMO Credit Agreement**"). The maturity date of the BMO First Mortgage Financing is August 2025.

62. 596 Ontario and 598 Ontario hold registered title to the St. Bruno and Carrefour Laval store JV Head Leases, respectively, as nominees for RioCan-Hudson's Bay JV, which owns the entire leasehold interests therein.

D. RioCan-Hudson's Bay JV Owned Real Property

63. In addition to the head leasehold interests described above, RioCan-Hudson's Bay JV beneficially owns (a) a 100% freehold interest in five retail properties; and (b) a 50% beneficial co-ownership interest in each of the two co-owned shopping centres listed below. An affiliate of RioCan is the owner of the remaining 50% beneficial co-ownership in the two shopping centres. Below is a chart setting out the locations of RioCan-Hudson's Bay JV owned real property that are part of the PropCo-OpCo Structure and the entities that hold registered title as nominees for RioCan-Hudson's Bay JV:

Location	Nominee	Ownership Interest	Beneficiary
Downtown Store Vancouver, BC	Hudson's Bay	100%	RioCan-Hudson's Bay JV
Downtown Store Calgary, AB	Hudson's Bay	100%	RioCan-Hudson's Bay JV
Devonshire Mall Store Windsor, ON	Snospmis	100%	RioCan-Hudson's Bay JV
Downtown Store Montreal, QC	Hudson's Bay	100%	RioCan-Hudson's Bay JV
Downtown Store Ottawa, ON	RioCan-Hudson's Bay Holdings LP Ottawa Holdings	100%	RioCan-Hudson's Bay JV
Oakville Place Shopping Centre Oakville, ON	RioCan Holdings Inc. ("RioCan Holdings") (50% interest) as nominee for both co-owners RioCan affiliate (50% interest)	50%	RioCan-Hudson's Bay JV
Georgian Mall Shopping Centre Barrie, ON	RioCan Holdings (50% interest) Twenty Two LP (an affiliate of RioCan) (50% interest) as nominee for both co- owners	50%	RioCan-Hudson's Bay JV

64. Hudson's Bay, as tenant, has entered into separate retail store leases with RioCan-Hudson's Bay JV with respect to each of RioCan-Hudson's Bay's owned real property.

65. The following paragraphs describe current real estate financing entered into by RioCan-Hudson's Bay JV and its subsidiaries which are secured by its owned real property.

(i) Calgary Property

66. As described above, the freehold interest of RioCan-Hudson's Bay JV in its Calgary property has been charged to BMO as security for the BMO First Mortgage Financing by the BMO Credit Agreement. The BMO First Mortgage Financing matures August 2025.

67. As stated above, the freehold interest of RioCan-Hudson's Bay JV in the Calgary property has been charged to BMO as security for the BMO First Mortgage Financing by the Bruno/Carrefour/Calgary Credit Agreement.

(ii) Vancouver Property

68. RioCan-Hudson's Bay JV's freehold interest in the Vancouver property has been charged to HSBC Bank of Canada as security for a \$202,000,000 first mortgage financing (the "**Vancouver HSBC First Mortgage Financing**") pursuant to a credit agreement between, among others, HSBC Bank Canada, Canadian Western Bank, United Overseas Bank, and Industrial & Commercial Bank of China (Canada) (collectively, the "**HSBC Syndicate**"), as lenders, and RioCan-Hudson's Bay JV, as borrowers, dated as of May 24, 2022 (the "**Vancouver HSBC Credit Agreement**"). The Vancouver HSBC First Mortgage Financing matures on April 30, 2025.

(iii) Montreal Property

69. RioCan-Hudson's Bay JV's freehold interest in the downtown Montreal property has been hypothecated to RBC as security for a first priority financing in the original principal amount of \$161,000,000 (the "**Montreal RBC First Priority Financing**") pursuant to an amended and restated credit agreement between, among others, RBC, as lender, and RioCan-Hudson's Bay JV, as borrower, dated as of October 3, 2022 (the "**Montreal RBC Credit Agreement**"). The Montreal RBC First Priority Financing matures in October 2025.

70. RioCan-Hudson's Bay JV's freehold interest in the downtown Montreal property has also been further hypothecated to a RioCan affiliate as second priority security for the RioCan guarantee of the Yorkdale RBC Financing.

(iv) Ottawa Property

71. The freehold interest of RioCan-Hudson's Bay JV in the Ottawa property is held indirectly through its subsidiary, RioCan-Hudson's Bay Ottawa LP and its title nominee RioCan-Hudson's

Bay Ottawa Holdings. This freehold interest has been charged in favour of Desjardins Financial Security Life Assurance Company (“**Desjardins**”) in connection with a \$56,525,000 first mortgage financing (the “**Ottawa First Mortgage Financing**”) pursuant to a credit agreement between Desjardins, RioCan-Hudson’s Bay Ottawa Holdings, as borrower, RioCan-Hudson’s Bay JV (as a 100% guarantor) and RioCan (as a 21.9% guarantor), dated as of October 3, 2024 (the “**Ottawa First Mortgage Credit Agreement**”). The Ottawa First Mortgage Financing matures on October 3, 2029.

72. The freehold interest of RioCan-Hudson’s Bay JV in the Ottawa property has also been charged in favour RioCan and RC Holdings II LP (a RioCan financing affiliate) for a \$16,650,000 second mortgage financing (the “**Ottawa Second Mortgage Financing**”) pursuant to the second mortgage credit agreement between RioCan-Hudson’s Bay JV, as borrower, and RioCan and RC Holdings II LP, as lenders, dated October 3, 2024 (the “**Ottawa Second Mortgage Credit Agreement**”). The Ottawa Second Mortgage Financing matures in October 2029.

(v) Oakville Place Shopping Centre

73. The 50% co-ownership interest of RioCan-Hudson’s Bay JV and the 50% co-ownership interest of the RioCan affiliated entity in the Oakville Place shopping centre property have both been charged in favour of The Toronto-Dominion Bank (“**TD**”) and The Canada Life Assurance Company (together, the “**Oakville Place Mortgage Lenders**”), as security for a \$87,400,000 first mortgage financing (the “**Oakville Place First Mortgage Financing**”) pursuant to a credit agreement between RioCan Holdings (Oakville Place) Inc. (as title nominee of the Oakville Place shopping centre property), as borrower, and Oakville Place First Mortgage Lenders dated as of June 14, 2021 (the “**Oakville Place First Mortgage Credit Agreement**”). RioCan-Hudson’s Bay JV has personally guaranteed payment of 50% of the Oakville Place First Mortgage Financing as well as payment of certain additional amounts. The Oakville Place First Mortgage Financing matures in or around August 2025.

74. The 50% co-ownership interest of RioCan-Hudson’s Bay JV in the Oakville Place shopping centre has been further charged to a RioCan affiliate as second mortgage security for the guarantee given by RioCan in connection with the Yorkdale RBC Financing.

(vi) Georgian Mall

75. The 50% co-ownership interests of RioCan-Hudson's Bay JV and the 50% co-ownership interest of RioCan's affiliated entity in the Georgian Mall property have both been charged in favour of Desjardins as security for a \$110,000,000 first mortgage financing (the "**Georgian Mall First Mortgage Financing**") pursuant to a credit agreement between, *inter alios*, Desjardins, as lender, and RioCan Holdings, as nominee and bare trustee for both co-owners, dated as of February 12, 2024 (the "**Georgian Mall First Mortgage Agreement**"). RioCan-Hudson's Bay JV has personally guaranteed 50% of the Georgian Mall First Mortgage Financing.

76. The 50% co-ownership interest of RioCan-Hudson's Bay JV in the Georgian Mall property has been further charged in favour of RC Holdings II LP (a RioCan affiliate) as security for a \$24,500,00 second mortgage financing (the "**Georgian Mall Second Mortgage Financing**") pursuant to a credit agreement between RioCan-Hudson's Bay JV, as borrower, and RC Holdings II LP, as lender, dated February 12, 2024 (as amended by an agreement dated March 25, 2024, the "**Georgian Mall Second Mortgage Credit Agreement**"). The Georgian Mall Second Mortgage Financing matures on February 12, 2029.

(vii) Co-Ownerships of Oakville Place Shopping Centre and Georgian Mall

77. The co-ownership of the Oakville Place shopping centre is governed by a co-owners agreement dated July 9, 2015, as amended by a first amendment to co-owners agreement dated January 2024, and as further amended by an omnibus agreement dated February 16, 2024, between, *inter alia*, RioCan, RioCan-Hudson's Bay JV and RioCan Holdings (Oakville Place).

78. The co-ownership of the Georgian Mall property is governed by a co-owners agreement dated July 9, 2015, as amended by an omnibus agreement dated February 16, 2024, between, *inter alia*, RioCan, RioCan-Hudson's Bay JV and RioCan Holdings.

79. Pursuant to an Omnibus Agreement dated February 16, 2024, with respect to both the Oakville Place shopping centre and the Georgian Mall property, if the ABL Agent (as defined below) or the Pathlight Agent (as defined below) enforces on its security interest in the limited partnership units of RioCan-Hudson's Bay JV or the shares of its general partner, RioCan will have exclusive decision-making rights with respect to certain operation and leasing decisions relating to the Oakville Place shopping centre and the Georgian Mall property, without requiring the consent or approval of RioCan-Hudson's Bay JV.

E. Other Properties

(i) 401 Bay Office Tower

80. Hudson's Bay also leases an office tower in downtown Toronto, which is adjacent to its Queen Street Hudson's Bay and Saks Fifth Avenue (operating pursuant to a license agreement) retail stores and is known municipally as 401 Bay Street, Toronto (the "**401 Bay Office Tower**"). The 401 Bay Office Tower is leased to Hudson's Bay by Ontrea Inc. pursuant to the same lease under which Hudson's Bay leases the Queen Street premises from which it operates its retail stores. Hudson's Bay has its corporate offices at the 401 Bay Office Tower and subleases as sublandlord, the remaining space in the 401 Bay Office Tower to third party office tenants. The 401 Bay Office Tower is managed by a third party.

(ii) Hudson's Bay Distribution Centres

81. Hudson's Bay also leases four distribution centres. One is located in Vancouver and three are located in Ontario (one in Scarborough and two in Etobicoke) (collectively, the "**Distribution Centres**"), which are described below.

F. Merchandise and Sourcing

82. The sourcing and purchasing of goods sold by Hudson's Bay is conducted by Hudson's Bay's merchandise buying and corporate procurement teams. Hudson's Bay purchases its merchandise from a number of North American and international suppliers, many of which have long-standing relationships with Hudson's Bay. To facilitate the distribution of merchandise to stores, Hudson's Bay uses the Distribution Centres.

83. In addition to sourcing merchandise from vendors, Hudson's Bay's stores carry brand-name merchandise sold by Merchandise Licensees (defined and described below) and consignment merchandise. Hudson's Bay also sells private-label merchandise in stores and online at "thebay.com".

84. Approximately 87% of merchandise is purchased from vendors and distributors in Canada and 13% of merchandise is purchased from the United States and internationally. Merchandise sold by Hudson's Bay is generally sourced in two ways:

- (a) Vendor-managed transportation. No international merchandise is purchased by Hudson's Bay from a vendor that handles transportation, including customs and taxes. Approximately 46% of domestic merchandise is purchased by Hudson's Bay from a vendor in Canada that handles transportation. The fee for these services paid by Hudson's Bay is included in the cost of goods. The goods are delivered to one of the Distribution Centres and then distributed to stores or held in the applicable Distribution Centre for later distribution to Hudson's Bay's stores or sold online; and
- (b) Hudson's Bay-managed transportation. All international merchandise that Hudson's Bay purchases from a vendor requires Hudson's Bay to handle transportation and logistics including customs and taxes. Approximately 54% of domestic merchandise is purchased by Hudson's Bay from a vendor in Canada that requires Hudson's Bay to handle transportation and logistics. Hudson's Bay hires a carrier to transport the goods from the vendor location to one of the Distribution Centres, as well as manage customs and taxes for the goods. The goods are then distributed to the stores or held in the applicable Distribution Centre for later distribution to stores or sold online.

85. Hudson's Bay's stores rely on a significant number of products that are imported from non-Canadian markets. Approximately 1% of the merchandise sold in Hudson's Bay's stores are imported from the United States to Canada (irrespective of where the merchandise is manufactured), and approximately 12% of the merchandise sold in Hudson's Bay's stores are obtained internationally. The remaining merchandise is obtained from within Canada.

86. Most of the merchandise sold by Hudson's Bay is obtained from vendors located in Canada and the United States. For fiscal year 2024, Hudson's Bay made approximately \$484,534,844.56 in payments for merchandise obtained from vendors in Canada. For fiscal year 2024, Hudson's Bay made approximately \$116,570,171 million in payments for merchandise imported from vendors outside Canada.

87. Depending on the vendor, where the product enters the United States through a foreign trade zone before coming to Canada, it does not go through U.S. customs but rather goes through customs in Canada. Where the product is imported directly from the United States, U.S. customs are paid for by the U.S. supplier upon import, and Hudson's Bay pays Canadian customs.

88. Generally, commitments to suppliers are made three to nine months in advance and secured with a purchase order (“**PO**”) number. POs are then usually sent to the suppliers 30-90 days in advance of the shipment commencing.

89. A significant amount of Hudson’s Bay’s merchandise is purchased in Canadian dollars. Where Hudson’s Bay’s merchandise is purchased in United States dollars, exchange rate fluctuations between Canadian and United States dollars have contributed to losses experienced by Hudson’s Bay, including as a result of the customs payments described above.

G. Distribution

90. Hudson’s Bay’s Distribution Centres supply and replenish products sold in Hudson’s Bay’s stores. Hudson’s Bay’s employees are responsible for all services required to operate the Distribution Centres. Fulfillment options are handled by individual stores and local transportation companies.

91. Merchandise arrives at the Distribution Centres and is either stored temporarily in the Distribution Centres or immediately transported to stores. As of March 5, 2025, there was approximately \$57,978,000 worth of retail inventory located at the Distribution Centres.

92. Hudson’s Bay engages third-party logistics companies to transport merchandise from vendor or manufacturer origins around the globe to and between the Distribution Centres, consolidators and stores.

93. Maersk Canada, Savino Del Bene Corp., Flexport International LLC, and Remco Forwarding Limited are engaged for international-origin and U.S.-origin shipments. Livingston International is engaged for U.S.-origin shipments, to import and clear all goods through the required customs agencies, which includes all necessary duties, taxes and importation fees. Gardenwine North, Canada Cartage, CN Rail. and Simard Transport are third-party logistics companies engaged as carriers or brokers to facilitate transportation to Hudson’s Bay’s retail stores. Canada Cartage and Simard Transportation handle Canada-origin merchandise transportation. FedEx Canada and Apple Express are also engaged in delivering online orders to customers. For Major Home Fashion merchandise, Direct Integrated and B&N are engaged to provide home deliveries to customers.

94. The Company must also pay customs brokers and government customs agencies, clearing houses, freight forwarders and other supply chain providers for costs incurred in transporting products from outside of Canada to the Distribution Centre and ultimately to Hudson's Bay's stores. The Company estimates that as of March 5, 2025, merchandise at the cost of approximately \$9,136,626 was in transit to Canada or from Canadian ports to the Distribution Centres.

95. Title to the inventory generally passes to the Company when merchandise is loaded on Company-directed transportation. If the vendor takes its own carrier to deliver merchandise to the Distribution Centres, the Company takes title of the merchandise once the merchandise is received and loaded at a Distribution Centre. If the Company directs a third-party carrier to deliver merchandise, title for merchandise originating in Canada and the United States passes to the Company at origin, after loading with the carrier.

H. Licensed Operations

96. Hudson's Bay is a party to agreements with licensees (the "**Licensees**"). These Licensees operate within certain stores and, in certain cases, online as described below. Hudson's Bay is a party to agreements with 134 Licensees for Hudson's Bay operating in all seven provinces. For the Saks Fifth Avenue and Saks OFF 5TH brands that are operating in Canada pursuant to a license agreement, there are an additional seven Licensees. Licensees includes Merchandise Licensees and Licensed Service Providers (both defined and described below).

(i) Hudson's Bay Merchandise Licensees and Licensed Operations

97. Hudson's Bay is a party to agreements with merchandise licensees (the "**Merchandise Licensees**"). The Merchandise Licensees also operate in all seven provinces in which Hudson's Bay has retail stores and also offers goods online through "thebay.com".

98. Most of the Merchandise Licensees operate a "department" in Hudson's Bay's stores, or branded fixtured premises, which are the property of Hudson's Bay, although the Merchandise Licensees retain rights to their brand intellectual property and their inventory. These agreements also generally provide that all fixtures and assets are owned proportionately by each brand and Hudson's Bay based on each brand's financial contribution made at the time of build out. In certain cases, Hudson's Bay fully owns the fixtures and assets as it has paid the entirety of the build out cost or the fixtures and assets are fully depreciated. Approximately 80% of Merchandise

Licensees' operating in Hudson's Bay provide and pay their own employees. In the remaining approximately 20%, Hudson's Bay staffs the department with Hudson's Bay employees or supplements the hours of certain departments.

99. All Merchandise Licensees are paid on a monthly settlement schedule (based on fiscal months per Hudson's Bay's fiscal accounting calendar) and are typically paid one month in arrears. Point of sale ("**POS**") sales for Merchandise Licensees are held in Hudson's Bay's liabilities account, separate from wholesale POS sales which are posted to Hudson's Bay's general ledger. At the end of each month, the revenue share retained by Hudson's Bay is moved from the liabilities account to Hudson's Bay's general ledger to be recorded for a sale. Hudson's Bay remits Canadian federal and provincial taxes on behalf of certain Merchandise Licensees. The tax collected remains with Hudson's Bay until it is paid via the applicable agency filing and payment date. For certain Merchandise Licensees that remit Canadian federal and provincial taxes on their own, the tax collected by Hudson's Bay is returned to the vendor as part of the settlement process. For Merchandise Licensees that operate online, Hudson's Bay remits PST/QST on behalf of the Merchandise Licensees, and the Merchandise Licensees remit Canadian federal and other provincial taxes on their own.

(ii) Hudson's Bay Beauty Hardshops

100. Hudson's Bay is also party to agreements with "beauty vendors", whose product is sold to Hudson's Bay on a wholesale basis such that the beauty inventory is owned by Hudson's Bay. The product is generally sold at counters or kiosks in Hudson's Bay (referred to as "hardshops"). These agreements also generally provide that all fixtures and assets are owned proportionately by each brand and Hudson's Bay based on each brand's financial contribution made at the time of build out. In certain cases, Hudson's Bay fully owns the fixtures and assets as it has paid the entirety of the build out cost or the fixtures and assets are fully depreciated. Unlike the Merchandise Licensees, the employees involved with the beauty hardshops are employed by Hudson's Bay. In some cases, some beauty vendors may provide some financial reimbursement to Hudson's Bay for employees dedicated to representing their brand.

(iii) Hudson’s Bay Service Providers and Licensed Operations

101. Certain food service, salon, and other service providers (the “**Licensed Service Providers**”) are party to license agreements with Hudson’s Bay. Licensed Service Providers who use Hudson’s Bay’s POS system follow the monthly settlement process described under Merchandise Licensees and Licensed Operations above. Licensed Service Providers who use their own POS system enter their sales into the store registers daily, but do not submit the cash to the store cash office. During the monthly settlement process, a reconciliation is conducted that results in the Licensed Service Providers paying Hudson’s Bay a license fee and reimbursing Hudson’s Bay for other applicable costs, typically paid on a monthly basis in arrears. Licensed Service Providers are responsible to remit Canadian federal and provincial taxes on their own. Licensed Service Providers operating in Hudson’s Bay provide and pay for their own employees.

I. Employees

102. As at February 28, 2025, the Companies employ approximately 9,364 people. The employer of record for the Companies’ employees is Hudson’s Bay or The Bay Holdings (other than with respect to seven employees that reside in the United States).

103. The Companies’ employees are generally categorized into three categories: (a) corporate employees; (b) employees at Hudson’s Bay’s retail stores; and (c) employees at the Distribution Centres.

104. Hudson’s Bay is also the employer of record for employees outside of the “Hudson’s Bay” banner, including for three “Saks Fifth Avenue” stores operating under a license agreement located in Canada, 13 “Saks OFF 5TH” stores operating under a license agreement located in Canada, and for certain shared services.

105. The chart below provides a breakdown of the Companies’ Canadian employees.

Province	Full Time / Part Time	Category	Unionized / Non-Unionized
Ontario	Full Time: 2411 Part Time: 2418	Corporate: 499 Distribution Centres: 507 Retail Stores: 3823	Unionized: 598 Non-Unionized: 4231
British Columbia	Full Time: 640	Corporate: 12	Unionized: 49

	Part Time: 925	Distribution Centres: 87 Retail Stores: 1466	Non-Unionized: 1516
Alberta	Full Time: 518 Part Time: 711	Corporate: 7 Distribution Centres: 0 Retail Stores: 1222	Unionized: 0 Non-Unionized: 1229
Québec	Full Time: 500 Part Time: 826	Corporate: 12 Distribution Centres: 1 Retail Stores: 1313	Unionized: 0 Non-Unionized: 1326
Manitoba	Full Time: 78 Part Time: 105	Corporate: 2 Distribution Centres: 0 Retail Stores: 181	Unionized: 0 Non-Unionized: 183
Nova Scotia	Full Time: 50 Part Time: 70	Corporate: 0 Distribution Centres: 0 Retail Stores: 120	Unionized: 0 Non-Unionized: 120
Saskatchewan	Full Time: 37 Part Time: 68	Corporate: 1 Distribution Centres: 0 Retail Stores: 104	Unionized: 0 Non-Unionized: 104

(i) **Unions**

106. Approximately 647 employees are subject to collective bargaining agreements, which are applicable to employees working in five of Hudson's Bay's retail stores, three of the Distribution Centres, and for certain employees working in Ontario. These are summarily described in the chart below.

Location	Collective Agreement
	Retail Stores
Victoria City Centre Victoria, BC	Collective Agreement between Hudson's Bay and United Food and Commercial Workers, Local 1518, expired on January 31, 2024 (new agreement in process of being ratified).
Sherway Gardens Toronto, ON	Collective Agreement between Hudson's Bay and Unifor (Local 40) effective until December 31, 2025.
Fairview Park Kitchener, ON	Collective Agreement between Hudson's Bay and Unifor (Local 40) effective until December 31, 2025.
Aberdeen Mall Kamloops, BC	Collective Agreement between Hudson's Bay and United Steelworkers of America, Local 1-417, effective until May 31, 2026.

Devonshire Mall Windsor, ON	Collective Agreement between Hudson’s Bay and Unifor (Local 240), effective until December 31, 2025.
Distribution Centres	
Eastern Big Ticket Centre Etobicoke, ON	Collective Agreement between Hudson’s Bay and United Food and Commercial Workers, International Union Local 1006A (formerly local 206 and 1993), effective until March 31, 2026.
Scarborough Logistics Centre Scarborough, ON	Collective Agreement between Hudson’s Bay and Unifor (Local 40), effective until May 31, 2025.
Vancouver Logistics Centre Vancouver, BC	Collective Agreement between Hudson’s Bay and Teamsters (Local 31), effective until March 31, 2027.
Province of Ontario	
Province of Ontario	Province-wide Ontario United Brotherhood of Carpenters & Joiners of America Collective Agreement effective until April 30, 2025.

107. Different collective bargaining agreements allow for banked vacation in the following situations: (a) until January 31 of the following year; (b) in exceptional circumstances relating to sickness, accident or maternity/paternity leave (in some collective bargaining agreements there is a further requirement that medical, maternity and paternity leave must be more than six months); or (c) if a flex full-time employee has additional vacation hours because of additional hours worked during the holiday season, the flex full-time employee will be allowed to schedule the additional vacation during the first month of the following year.

(ii) Pension Plan and Other Benefits

108. Hudson’s Bay sponsors a registered pension plan, the Hudson’s Bay Company Pension Plan (the “**Pension Plan**”) that includes both a defined benefit and defined contribution component, The Pension Plan is registered with the Financial Services Regulatory Authority of Ontario (“**FSRA**”) and is subject to the *Pensions Benefits Act* (Ontario).

109. Most of the active members of the Pension Plan are accruing benefits under the defined contribution component. As of December 31, 2024, the Pension Plan had 4,000 active and inactive members with defined benefit entitlements and approximately 17,000 active and inactive members with defined contribution entitlements. The Pension Plan is sufficiently funded and is able to satisfy its liabilities.

110. There are no special payments required to be made under the Pension Plan.

111. Hudson's Bay also sponsors a partially funded supplemental retirement pension plan ("**SERP**"). As at the last accounting valuation report dated January 1, 2022, the SERP had a shortfall of \$84,505,000. In addition, as of the last accounting valuation report dated January 1, 2024, the non-pension post employment and the other long-term employee benefits underfunded status was \$13,466,296 and \$6,076,830, respectively.

J. Loyalty Programs, Gift Cards, and Rewards

112. Hudson's Bay provides customers with access to a variety of customer enhancement experiences, payment products and services, including gift cards and a Hudson's Bay co-branded Mastercard credit card in Canada. Customers may also participate in a rewards program ("**Hudson's Bay Rewards**") to receive benefits that vary depending on the level of spend, including early access to events like "Bay Days", incremental accumulation of points and other benefits.

(i) Hudson's Bay Rewards

113. Hudson's Bay Rewards is a rewards program offered by Hudson's Bay in Canada. Membership is free and is available to any Canadian resident who is 18 years of age or older. Customers can sign up for Hudson's Bay Rewards in stores or online, and once signed up, members earn points and benefits depending on the tier.

114. Hudson's Bay Rewards is a tiered program depending on spend and purchase visits during a calendar year. The number of points earned on any purchase will depend on several factors, including the tender used, and specifically whether the member uses their Hudson's Bay credit card and the member's program tier at the time of purchase. Hudson's Bay Rewards points do not have a cash value; they are eligible for redemption in increments of \$5 for every 1000 points redeemed.

115. Hudson's Bay Rewards points may expire if the Hudson's Bay Rewards account has no activity for 24 months—that is, the points associated with all accounts that have not had any points earned or redeemed for 24 or more consecutive months expire.

116. As of February 1, 2025, approximately 8,255,145 Canadian customers had outstanding points worth a total of approximately \$58,576,606.48.

117. Hudson's Bay Rewards will be paused during the CCAA Proceedings until further notice.

(ii) Credit Cards

118. Hudson's Bay offers customers a co-branded Mastercard credit card program with Neo Financial. All cardholders must be a Hudson's Bay Rewards member. Cardholders either enroll in Hudson's Bay Rewards at sign up or link an existing account. Cardholders who use the Hudson's Bay credit card for purchases at Hudson's Bay are entitled to receive additional rewards points. Neo Financial handles all acquisition and servicing of the credit card program, including tracking spend for points accrual and Neo Rewards, and reports information to Hudson's Bay to operate and administer the Hudson's Bay Rewards program. Neo Financial holds the list of customers holding the credit cards and communicates with them directly, and Hudson's Bay owns the list of all Hudson's Bay Rewards members and communicates with them directly.

(iii) Gift Cards

119. Hudson's Bay's customers can purchase gift cards in Canada to be redeemed for merchandise in Hudson's Bay's stores or online. Pursuant to agreements with certain third-party gift card resellers, gift cards are also sold at third-party retailers. The gift cards are inactive when distributed to resellers and activated at the reseller's POS when purchased.

120. As of February 1, 2025, Canadian customers had outstanding gift cards worth a total value of approximately \$24,290,237.82.

121. Hudson's Bay intends to continue its relationship with third-party gift card providers responsible for selling and activating gift cards as of the filing of this Application. In the view of Hudson's Bay, honouring outstanding gift cards in its continuing locations will promote goodwill among customers during the proceedings and will assist in maintaining value for stakeholders as a whole by, among other factors, attracting customers to the Canadian retail stores and online.

K. Intercompany Agreements

122. Hudson's Bay, Saks Global and/or its affiliates (collectively "**Saks**") provide certain services to each other to optimize the operations of the Saks Fifth Avenue and Saks OFF 5TH Canadian stores that are operating pursuant to a license agreement. These include:

- (a) Saks granting Hudson's Bay the necessary intellectual property rights to operate Saks Fifth Avenue and Saks OFF 5TH Canadian stores under license agreements for Saks Fifth Avenue's and Saks OFF 5TH's trademarks;
- (b) both Hudson's Bay and Saks providing business support services. The business support services provided by Saks are primarily management activities and brand-specific services such as marketing, merchandising, and planning. The business support services provided by Hudson's Bay are administrative or operational in nature. The provision of these services by both parties is required to support the continued operation of the Saks Fifth Avenue and Saks OFF 5TH Canadian stores under a license agreement; and
- (c) both Hudson's Bay and Saks provide corporate and other support services to each other that are reasonably necessary to operate in the ordinary course of business and consistent with past practice. Shared corporate services include finance, tax, human resources, information technology, legal and executive services.

123. Hudson's Bay leases the Hudson's Bay store locations operated by it as Saks Fifth Avenue and Saks OFF 5TH pursuant to a license agreement, provides distribution and logistics, employs the staff, and holds the inventory as working capital.

L. Banking and Cash Management System

124. The Companies use a cash management system (the "**Cash Management System**") in the ordinary course of business to, among other things, collect funds and pay expenses associated with its operations. This Cash Management System provides the Companies with the ability to efficiently and accurately track and control corporate funds and to ensure cash availability.

125. As part of this Cash Management System, the Companies maintain bank accounts (the "**Bank Accounts**"), as described below, the majority of which are broken down into disbursement accounts which are primarily used for distributing or paying out funds, and depository accounts to deposit, place or hold assets such as cash or securities.

126. Hudson's Bay maintains disbursement accounts and depository accounts:

(a) Royal Bank of Canada ("RBC"):

- i. 14 CAD and four USD operating disbursement accounts for, among other things, general disbursements, share redemptions, payroll, tax payments, credit card payments, and returns; and
- ii. eight CAD and two USD depository accounts for head office deposits and store deposits; and

(b) Toronto-Dominion Bank ("TD"):

- i. 11 multi-currency operating disbursement accounts for, among other things, online bill payments, and holding and exchanging foreign currencies; and
- ii. five CAD depository accounts for store and gift card deposits; and

(c) Bank of America: one disbursement and depository mixed account.

127. All of Hudson's Bay's bank accounts with TD and all of Hudson's Bay's depository bank accounts are subject to blocked account agreements.

IV. HUDSON'S BAY CANADA'S FINANCIAL POSITION

A. Estimated Value of Assets and Liabilities

128. Hudson's Bay Canada does not have standalone financial statements for its Canadian business. Below is a summary of the estimated value of Hudson's Bay Canada's assets and liabilities as of January 31, 2025.

Assets	
Current Assets	
Cash and Cash Equivalents	\$3,304,000
Trade and Other Receivables	\$16,532,000
Intercompany Receivables	\$25,773,000
Inventories	\$414,673,000

Assets Held for Sale	\$1,000
Financial Assets	\$13,192,000
Other Assets	\$9,018,000
Total Current Assets	\$482,494,000
Non-Current Assets	
Property, Plant and Equipment	\$386,228,000
Intangible Assets and Goodwill	\$87,000
Pensions and Employee Future Benefits	\$183,190,000
Other Assets	\$1,614,867,000
Operating Lease Assets	\$953,985,000
Finance Lease Assets	\$104,287,000
Total Non-Current Assets	\$3,242,644,000
Total Assets	\$3,725,137,000
Liabilities	
Current Liabilities	
Loans and Borrowings	\$7,554,000
Trade Payables	\$516,608,000
Other Payables and Accrued Liabilities	\$82,739,000
Intercompany Payables	\$33,499,000
Deferred Revenue	\$58,626,000
Provisions	\$19,357,000
Financial Liabilities	\$106,000
Income Taxes Payable	\$3,000
Other Liabilities	\$2,520,000
Operating Lease Liabilities	\$71,591,000
Total Current Liabilities	\$777,496,000
Non-Current Liabilities	
Loans and Borrowings	\$384,395,000
Finance Leases	\$163,343,000
Provisions	\$3,190,000

Pensions and Employee Future Benefits	\$83,175,000
Investment in Joint Ventures	\$198,200,000
Other Liabilities	\$235,906,000
Operating Lease Liabilities	\$1,422,823,000
Total Non-Current Liabilities	\$2,491,032,000
Total Liabilities	\$3,326,527,000

B. Secured Obligations

129. Hudson's Bay and the Guarantors have approximately \$430,273,291 of currently outstanding secured debt in relation to the Credit Facilities. As described further below, the Credit Facilities largely share the same collateral and security package and are subject to two intercreditor agreements between the parties. Hudson's Bay relies, in part, on the Credit Facilities to fund its operations.

130. As set out above, Hudson's Bay has a 78.0136% interest as limited partner in RioCan-Hudson's Bay JV, which is its primary real estate subsidiary. Most of the freehold and leasehold real property owned by RioCan-Hudson's Bay JV, is security for multiple real estate mortgage financings in favour of third-party lenders and, in the case of several properties, RioCan (as its affiliate). These mortgages have priority over the lenders and agents under the Credit Facilities with respect to the subject properties.

131. The chart below summarizes the total approximate outstanding secured debt for: (a) Hudson's Bay and the Guarantors under the Credit Facilities; and (b) the total approximate outstanding secured debt in connection with the RioCan-Hudson's Bay JV credit facilities.

Outstanding Principal Obligations Under Credit Facilities	
Revolving Credit Facility / FILO Credit Facility	\$159,245,622
Pathlight Credit Facility	\$95,027,669
Cadillac Credit Facility	\$176,000,000
Total	\$430,273,291
Outstanding Principal Obligations Under Mortgages	
Yorkdale RBC Financing	\$75,000,000

BMO First Mortgage Financing	\$105,000,000
Vancouver HSBC First Mortgage Financing	\$202,000,000
Montreal RBC First Priority Financing	\$148,291,000
Ottawa First Mortgage Financing	\$55,100,000
Ottawa Second Mortgage Financing	\$16,650,000
Oakville Place First Mortgage Financing	\$43,700,000
Georgian Mall First Mortgage Financing	\$54,200,000
Georgian Mall Second Mortgage Financing	\$24,500,000
Total	\$724,441,000

(i) **ABL and FILO Credit Facilities**

132. Until December of 2024, Hudson’s Bay was the Canadian and lead borrower, under that certain amended and restated credit agreement, by and among, *inter alios*, certain Canadian and U.S. entities affiliated with Hudson’s Bay, as borrower and guarantors (as applicable), certain Luxembourg subsidiaries of Hudson’s Bay, Bank of America, N.A. (including acting through its branches and affiliates), as administrative agent and collateral agent (the “**ABL Agent**”), and each lender from time to time party thereto, as lenders (the “**ABL Lenders**”) dated as of October 11, 2019 (which was subsequently amended or supplemented on several occasions, as so amended or supplemented prior to December 23, 2024, the “**Original ABL Credit Agreement**”).

133. The Original ABL Credit Agreement provided a revolving credit facility with availability of up to a maximum principal amount of US\$1,750,000,000, allocated approximately 31% and 69% between Canada and the U.S., respectively, the proceeds of which were used for, among other things, funding operations, acquisition of working capital assets in the ordinary course of business, and general corporate purposes of the respective Canadian and U.S. businesses. The Original ABL Credit Agreement also included a US\$150,000,000 FILO term loan component.

134. The Neiman Marcus Transaction provided the opportunity to insulate Hudson’s Bay’s Canadian business from new liabilities incurred by the U.S. business in connection with the Neiman Marcus Transaction. On December 23, 2024, Hudson’s Bay entered into a second amended and restated credit agreement, by and among, *inter alios*, Hudson’s Bay, as borrower, the guarantors party thereto, as guarantors (collectively, the “**Loan Parties**”), the ABL Agent, as administrative agent and collateral agent, Restore, as FILO agent (in such capacity, the “**FILO**

Agent”), and the ABL Lenders (as further amended to the date hereof, the “**Amended ABL Credit Agreement**”). As part of that amendment and restatement, the U.S. borrowers and guarantors were released from their obligations under the Original ABL Credit Agreement in exchange for significant repayment of principal and the guarantees and security interests granted in connection with the Original ABL Credit Agreement were terminated and/or released, such that these U.S. entities were no longer parties to the Original ABL Credit Agreement and those U.S. entities entered into their own stand-alone credit facilities.

135. Under the Amended ABL Credit Agreement, the commitments were adjusted to the size and needs of the Company’s operations to provide for:

- (a) a revolving credit facility with availability up to a maximum principal amount of \$240,374,500, with availments in CAD and USD, provided by certain of the ABL Lenders, subject to the Borrowing Base (as defined in the Amended ABL Credit Agreement) of the Loan Parties (the “**Revolving Credit Facility**”); and
- (b) a term loan credit facility of up to a maximum principal amount of \$151,347,000 (the “**FILO Credit Facility**”).

136. Hudson’s Bay’s obligations under the Amended ABL Credit Agreement are guaranteed by each of the Guarantors pursuant to:

- (a) a guarantee dated as of February 5, 2016, executed by, *inter alios*, Hudson’s Bay, in favour of the ABL Agent and the ABL Lenders;
- (b) a joinder to guarantee dated as of March 4, 2020, executed by Hudson’s Bay Parent 1, in favour of the ABL Agent and the ABL Lenders;
- (c) a joinder to guarantee dated as of October 29, 2021, executed by The Bay Holdings and The Bay LP, in favour of the ABL Agent and the ABL Lenders;
- (d) a joinder to guarantee dated as of November 24, 2021, executed by Hudson’s Bay Holdings 1 and Hudson’s Bay Holdings 2, in favour of the ABL Agent and the ABL Lenders; and
- (e) an acknowledgement and joinder agreement dated as of December 23, 2024, executed by the Loan Parties, in favour of the ABL Agent and the ABL Lenders

(the “**ABL Acknowledgement and Joinder**”, and collectively, the “**ABL Guarantees**”).

137. The Loan Parties’ obligations under the Amended ABL Credit Agreement are secured by, among other things:

- (a) an amended and restated general security agreement dated as of February 12, 2024, and the ABL Acknowledgement and Joinder, executed by the Loan Parties. Pursuant to these agreements, the Loan Parties granted the ABL Agent security interests in substantially all their present and after-acquired personal property;
- (b) a deed of hypothec dated as of February 9, 2024, executed by Hudson’s Bay in favour of the ABL Agent. Pursuant to this agreement, Hudson’s Bay hypothecated all its present and future movable property to and in favour of the ABL Agent, as hypothecary representative for the ABL Lenders;
- (c) a grant of security interest in intellectual property dated as of February 12, 2024, executed by Hudson’s Bay and The Bay LP in favour of the ABL Agent and the ABL Lenders, pursuant to which Hudson’s Bay and The Bay LP granted the ABL Agent with security interests in substantially all their copyrights, trademarks, and other intellectual property;
- (d) pledge agreements executed by Hudson’s Bay, Hudson’s Bay Holdings GP Inc. and Hudson’s Bay Holdings LP, pursuant to which these parties pledged their equity interests in Hudson’s Bay Holdings LP, RioCan-Hudson’s Bay GP, RioCan-Hudson’s Bay JV, and Neo Financial Technologies Inc., in favour of the ABL Agent and the ABL Lenders; and
- (e) leasehold mortgages (equitable and registered) in respect of certain of the properties leased by the Loan Parties (collectively, the “**ABL Security**”).

138. Interest on the Revolving Credit Facility accrues at different rates depending on the Borrowing Base and credit availability under the Revolving Credit Facility. However, as of the date of this affidavit, no amounts have been drawn under the Revolving Credit Facility due to the insufficient Borrowing Base of the Loan Parties.

139. Interest on the FILO Credit Facility is payable monthly and accrues at the Canadian overnight repo rate average (“**CORRA**”) plus 9.75% per annum. In the event of non-payment of principal, there is no grace period. However, in the event of a non-payment of interest, the Loan Parties have a grace period of five days before such non-payment constitutes an event of default under the FILO Credit Facility.

140. The Amended ABL Credit Agreement contains customary events of default, including among other things, if any of the Loan Parties are in default under the Pathlight Credit Agreement or the Cadillac Credit Agreement (each as defined below).

141. On February 28, 2025, the parties entered into a first amendment to the ABL Credit Agreement (the “**First Amendment to the Amended ABL Credit Agreement**”), pursuant to which the parties agreed to reduce the sum of the revolving commitments of all the revolving lenders from \$240,374,500 to \$200,000,000.

142. The maturity date under the Amended ABL Credit Agreement occurs on the earlier of: (a) December 23, 2029; (b) the date that certain commitments in connection with a revolving credit facility available to certain U.S. affiliates of Hudson’s Bay is terminated; or (c) the date that is (i) 30 days prior to the final stated maturity of the Pathlight Credit Facility; (ii) 91 days prior to the final stated maturity of the Cadillac Credit Facility; or (iii) 91 days prior to the final stated maturity of other Material Indebtedness (as defined in the Amended ABL Credit Agreement).

143. On March 3, 2025, the parties entered into a second amendment to the Amended ABL Credit Agreement pursuant to which the required FILO Term Lenders waived conditions precedent to the advance of a \$7,000,000 Delayed Draw FILO Term Loan and which required the proceeds of such advance to be applied to specified payments as set forth therein. As of the date of this affidavit, the outstanding amount under the FILO Credit Facility is approximately \$136,847,000 and the outstanding amount of the Revolving Credit Facility and related bank products is approximately \$22,398,622.

(ii) Pathlight Credit Facility

144. Until December 2024, Hudson’s Bay was the Canadian and lead borrower, under that certain term loan credit agreement, by and among, *inter alios*, certain Canadian and U.S. entities affiliated with Hudson’s Bay, as borrower and guarantors (as applicable), Pathlight Capital LP, by its general partner, Pathlight GP LLC, as agent (the “**Pathlight Agent**”), and each lender from

time to time party thereto, as lenders (the “**Pathlight Lenders**”), dated as of November 25, 2020, which was subsequently amended to provide for additional term loans (as amended or supplemented prior to December 23, 2024, the “**Original Pathlight Credit Agreement**”).

145. Under the Original Pathlight Agreement, a US\$150,000,000 loan was advanced to Hudson’s Bay in an effort to enhance liquidity during an uncertain time resulting from the continued pressure of the COVID-19 pandemic. Through subsequent amendments, repayments and extensions of credit, Hudson’s Bay was provided with access to additional term loans which were drawn in the principal amount of approximately \$565,438,525 as of December 23, 2024, the proceeds of which were used for, among other things, funding operations, acquisition of working capital assets in the ordinary course of business, funding growth investments in Hudson’s Bay’s e-commerce business, and general corporate purposes.

146. Concurrently with the closing of the Neiman Marcus Transaction, on December 23, 2024, Hudson’s Bay, as borrower, entered into an amended and restated credit agreement, by and among, *inter alios*, the Guarantors, as guarantors, the Pathlight Agent, as agent, and the Pathlight Lenders (as further amended to the date hereof, the “**Pathlight Credit Agreement**”). As part of that amendment and restatement, the U.S. borrowers and guarantors were released from their obligations under the Original Pathlight Credit Agreement in exchange for a significant portion of the outstanding principal amount being repaid, and the guarantees and security interests granted in connection with the Original Pathlight Credit Agreement were terminated and/or released, such that these U.S. entities were no longer parties to the Original Pathlight Credit Agreement.

147. Pursuant to the Pathlight Credit Agreement, a substantial portion of the principal amount was repaid and certain additional lenders provided advances of term loans such that the outstanding principal amount on closing was reduced to US\$65,569,092 (the “**Pathlight Credit Facility**”).

148. As referenced above:

- (a) the Guarantors also guaranteed the Loan Parties’ obligations under the Pathlight Credit Agreement through various documents executed by the Loan Parties which are largely similar to the ABL Guarantees; and

- (b) the Pathlight Agent and the Pathlight Lenders hold security over substantially the same assets included in the ABL Security, through various documents executed by the Loan Parties which are largely similar to the ABL Security.

149. Interest on the Pathlight Credit Facility is payable monthly and accrues at the secured overnight financing rate plus 8.5% per annum. In the event of non-payment of principal, there is no grace period. However, in the event of non-payment of interest, the Loan Parties have a grace period of five days before such non-payment constitutes an event of default under the Pathlight Credit Facility.

150. The Pathlight Credit Agreement contains customary events of default, including among other things, if any of the Loan Parties are in default under the Amended ABL Credit Agreement or the Cadillac Credit Agreement.

151. On February 28, 2025, the parties entered into the first amendment to the Pathlight Credit Agreement, pursuant to which the following milestones were provided:

- (a) no later than March 7, 2025 (or such later date as agreed to by the Pathlight Agent), Hudson's Bay shall open a segregated deposit account with the ABL Agent which account shall be in the sole dominion and control of the ABL Agent pursuant to a control agreement in form and substance satisfactory to the Pathlight Agent;
- (b) no later than March 10, 2025 (or such later date as agreed to by the Pathlight Agent) Hudson's Bay shall enter into a shared services agreement in form and substance reasonably satisfactory to the Pathlight Agent; and
- (c) promptly following the date thereof, Hudson's Bay, the ABL Agent and the Pathlight Agent shall agree on a structure to implement cash dominion or an alternative structure reasonably satisfactory to the Pathlight Agent at a time when no amounts under the ABL Credit Facility are outstanding or are permitted to be borrowed by Hudson's Bay.

152. The Pathlight Credit Facility matures on May 1, 2025. As of the date of this affidavit, the outstanding amount under the Pathlight Credit Facility is approximately US\$65,569,092.

(iii) Cadillac Credit Facility

153. Given the macroeconomic environment and challenges faced by Hudson's Bay, it approached several institutions, landlords, and other lenders to seek incremental liquidity.

154. The only party willing to provide incremental liquidity at that time was an affiliate of Cadillac Fairview. On June 26, 2023, Hudson's Bay, as Canadian Borrower, entered into an unsecured term loan agreement, by and among, certain Canadian and U.S. entities affiliated with Hudson's Bay, as guarantors, and 2171948 Ontario Inc., as lender (the "**Cadillac Lender**") (as amended or supplemented prior to December 23, 2024, the "**Original Cadillac Credit Agreement**").

155. Hudson's Bay was provided with a term loan credit facility in the maximum amount of \$200,000,000 under the Original Cadillac Credit Agreement, the proceeds of which were to be used for, among other things, funding Canadian operations or any purpose other than repayment of the amounts due under the Original ABL Credit Agreement.

156. Concurrently with the closing of the Neiman Marcus Transaction, on December 23, 2024, Hudson's Bay, as borrower, entered into an amended and restated term loan credit agreement, by and among, the Guarantors, as guarantors, and the Cadillac Lender, as lender (the "**Cadillac Credit Agreement**"). As part of that amendment and restatement, the U.S. guarantors were released from their obligations under the Original Cadillac Credit Agreement in exchange for, *inter alia*, a principal repayment and the termination and/or release of guarantees in connection with the Original Cadillac Credit Agreement, such that these U.S. entities were no longer parties to the Original Cadillac Credit Agreement.

157. In connection with entering into the Cadillac Credit Agreement, a portion of the term loan was repaid such that the term loan outstanding was reduced to \$176,000,000 (the "**Cadillac Credit Facility**", and together with the Revolving Credit Facility, the FILO Credit Facility, and the Pathlight Credit Facility, the "**Credit Facilities**").

158. As referenced above:

- (a) the Guarantors also guaranteed the Loan Parties' obligations under the Cadillac Credit Agreement through various documents executed by the Loan Parties which are largely similar to the ABL Guarantees; and

- (b) In connection with the Cadillac Credit Agreement, the Cadillac Lender was granted security over largely the same assets included in the ABL Security to secure the Loan Parties' obligations under the Cadillac Credit Agreement, through various documents executed by the Loan Parties which are largely similar to the ABL Security, except that certain pledges with respect to the equity interests of RioCan-Hudson's Bay GP and RioCan-Hudson's Bay Limited Partnership have not yet been delivered to the Cadillac Lender.

159. Interest on the Cadillac Credit Facility is payable monthly and accrues at a rate of 10.0% per annum. In the event of non-payment of principal, there is no grace period. However, in the event of non-payment of interest, the Loan Parties have a grace period of five days before such non-payment constitutes an event of default under the Cadillac Credit Facility.

160. In addition to other customary events of default, the failure by Hudson's Bay to pay rent at any of its leased retail stores for five business days constitutes an event of default under the Cadillac Credit Agreement.

161. The Cadillac Credit Facility matures on the earlier of: (a) December 31, 2026; or (b) 91 days after the Pathlight Credit Facility matures provided that such date shall be no earlier than June 26, 2026. As of the date of this affidavit, the outstanding principal amount under the Cadillac Credit Facility is approximately \$176,000,000.

(iv) Intercreditor Agreements

162. The relative priorities between the ABL Credit Facility, the FILO Credit Facility, the Pathlight Credit Facility, and the Cadillac Credit Facility are governed by two intercreditor agreements: (a) a second amended and restated intercreditor agreement dated as of December 23, 2024, between the ABL Agent and the Pathlight Agent (the "**ABL/Pathlight Intercreditor Agreement**"); and (b) a first lien/second lien intercreditor agreement dated as of December 23, 2024, between the ABL Agent, the Pathlight Agent, and the Cadillac Lender (the "**Senior/Junior Intercreditor Agreement**"). Copies of the ABL/Pathlight Intercreditor Agreement and the Senior/Junior Intercreditor Agreement are attached hereto as **Exhibits "C"** and **"D"**.

163. Pursuant to the ABL/Pathlight Intercreditor Agreement, among other things:

- (a) the ABL Agent has priority over the Pathlight Agent as to all assets of the Loan Parties, including without limitation, all accounts, goods, inventory, equipment,

fixtures, after-acquired property, investment property, equity interest, chattel paper, commercial tort claims, intangibles, letter of credit rights (the “**ABL Priority Collateral**”), other than with respect to certain leasehold interests in real property and the fixtures, accounts, and proceeds related thereto (the “**Pathlight Priority Collateral**”), until all obligations (except “Excess ABL Obligations” as defined in the ABL/Pathlight Intercreditor Agreement) under the Amended ABL Credit Agreement have been repaid; and

- (b) the Pathlight Agent has priority over the ABL Agent as to the Pathlight Priority Collateral until all obligations (except “Excess Term Loan Obligations” as defined in the ABL/Pathlight Intercreditor Agreement) under the Pathlight Credit Agreement have been repaid.

164. The application of proceeds to the ABL Priority Collateral is as follows: (a) costs/expenses of the ABL Agent in connection with the exercise of its remedies as secured creditor; (b) payment of obligations under the Amended ABL Credit Agreement (except Excess ABL Obligations); (c) payment of obligations under the Pathlight Credit Agreement (except Excess Term Loan Obligations); (d) payment of Excess ABL Obligations; and then (e) payment of Excess Term Loan Obligations.

165. The application of proceeds on the Pathlight Priority Collateral is as follows: (a) costs/expenses of the Pathlight Agent in connection with exercise of its remedies as secured creditor; (b) payment of obligations under the Pathlight Credit Agreement (except Excess Term Loan Obligations); (c) payment of obligations under the Amended ABL Credit Agreement (except Excess ABL Obligations); (d) payment of Excess Term Loan Obligations; and then (e) payment of Excess ABL Obligations.

166. Pursuant to the Senior/Junior Intercreditor Agreement, the Cadillac Lender subordinated its right to receive payment and priority as to its security over the assets constituting ABL Priority Collateral and Pathlight Priority Collateral, such that the Cadillac Lender will only be entitled to any proceeds from same after all obligations under the Amended ABL Credit Agreement and the Pathlight Credit Agreement have been satisfied in full.

167. Additionally, the Cadillac Lender agreed that it would not exercise any remedies as a secured creditor or accept any proceeds with respect to the ABL Priority Collateral or the Pathlight Priority Collateral without the written consent of the ABL Agent and the Pathlight Agent.

V. THE HUDSON'S BAY GROUP'S FINANCIAL DIFFICULTIES

168. In the past decade, the rapidly evolving retail landscape posed significant challenges to department stores in North America. Brick-and-mortar stores struggled to compete with e-commerce players, resulting in a shift of sales to on-line commerce and a decline in traffic at stores. Hudson's Bay was impacted by these macrotrends, which negatively affected its financial and operating results, as well as its real estate assets.

169. As a result of these operational and financial challenges, on March 3, 2020, a group of Hudson's Bay's existing shareholders completed the privatization of Hudson's Bay. The privatization of Hudson's Bay was intended to, among other things, permit Hudson's Bay to reposition its operations without public market pressures and costs and focus on long-term growth strategies, including strategies centered on its real estate assets.

170. However, uncontrollable macroeconomic events, and industry-wide pressures have contributed to the deterioration of Hudson's Bay Canada's liquidity position since March 3, 2020.

171. Almost immediately after Hudson's Bay went private, between March 13, 2020, and March 22, 2020, all Canadian provinces declared a state of emergency and implemented lockdown measures in response to COVID-19, which resulted in a significant decline in foot traffic at Hudson's Bay's stores across Canada. Canadian retail, and particularly large-format department stores, faced some of the strictest and most prolonged pandemic-related restrictions globally.

172. While many international markets reopened, government-mandated store closures in Canada persisted, with stores forced to remain closed for more days in 2021 than in 2020. The lasting impact of pandemic-related closures in Canada continues to reshape consumer behavior, most notably through the widespread adoption of remote work. This shift has placed additional economic pressure on the brick-and-mortar retail sector, particularly affecting traditional department stores like Hudson's Bay. The company's flagship downtown stores have been disproportionately impacted, as they historically relied on office workers and commuters for a significant portion of their revenue. At the same time, these locations represent some of Hudson's Bay's highest-cost operations due to rent and other expenses, further exacerbating Hudson's Bay's financial challenges.

173. As described in greater detail below, the Company invested approximately \$130,000,000 into an aggressive e-commerce expansion strategy between 2021 and 2022 to mitigate the

decline in foot traffic at its retail stores. However, despite the scale of these investments, the strategy did not yield the anticipated financial returns. Revenue from digital channels failed to offset the decline in brick-and-mortar sales, and debt levels increased without a proportional improvement in profitability. Additionally, the focus on e-commerce led to underinvestment in physical stores, which in turn weakened the in-store shopping experience and further impacted the Company's revenue.

174. By late 2022 and early 2023, the Company faced a new wave of economic and operational setbacks. Nordstrom's exit from the Canadian market resulted in an extended period of liquidation sales, increasing pricing pressures across the retail sector. Meanwhile, inflation surged, driving up supply chain costs, while interest rate hikes significantly increased the cost of borrowing. As a result, consumer discretionary spending declined, leading to further reductions in retail revenue.

175. Additional financial challenges arose in 2024 when EDC declined to extend its vendor insurance program for Canadian vendors, further restricting inventory flow.

176. Throughout the past few years, economic headwinds such as rising costs of living, higher mortgage rates, and a weakening Canadian dollar have strained household budgets, leading to subdued customer spending and broader economic challenges.

177. As a result of these challenges, many Canadian retailers have experienced financial challenges and commenced insolvency proceedings, including Reitmans, Aldo, Aeropostale, American Apparel, Mexx, Forever XXI, Target Canada, Sears Canada, Nordstrom Canada, Ted Baker Canada, Bed Bath & Beyond Canada, and Comark, among others.

178. Most recently, the Trade War has created uncertainty in financial markets, making refinancing more difficult and costly for businesses in Canada. While tariffs directly affect trade, they also have far-reaching secondary effects, such as higher borrowing costs, increased cost of goods, depressed real estate valuations, currency fluctuation, and lower consumer and lender confidence.

179. Earlier this year, Hudson's Bay had advanced discussion with potential lenders regarding financing commitments. Until recently, the Company was confident it could refinance all or a portion of its Credit Facilities and improve its liquidity position to continue to execute on its business plan. However, the Trade War and the ensuing uncertainty in financial markets made it extremely challenging for Hudson's Bay to raise incremental financing and monetize its real estate

assets. Accordingly, the potential lenders that Hudson's Bay had advanced discussions with were ultimately not willing to provide any financing to improve Hudson's Bay's liquidity position. As a result, in spite of the Company's best efforts, it could not avoid the liquidity crisis that it faces today.

180. As a result of the circumstances described above, Hudson's Bay is facing significant challenges to its ability to make payments, including to its landlords, service providers, and vendors. The Company has had to defer certain payments for many months. Most recently, it has been unable to pay certain critical trade creditors in the ordinary course of business, and will be unable, within the next several days, to meet its employee payroll obligations. Without the benefit of Court protection, failure by Hudson's Bay to pay rent at its stores will result in a rapidly escalating chain of events, leading to lease defaults, head lease defaults, direct defaults on real estate financing incurred by members of Hudson's Bay Canada and other financing, as well as cross-defaults with other real estate financing and on its Credit Facilities.

VI. HUDSON'S BAY CANADA'S RESPONSE TO FINANCIAL DIFFICULTIES

181. The Company has made several attempts to address its financial and operational challenges since the COVID-19 pandemic.

182. In 2020, in an effort to increase the flow of goods and inventory to Hudson's Bay's stores, the Company secured a vendor insurance program provided by EDC, which covered inventory receipts from Canadian vendors.

183. Between 2021 and 2022, the Company pursued an aggressive e-commerce expansion strategy and invested approximately \$130,000,000 into e-commerce infrastructure, logistics, and marketing. The Company believed that digital transformation would mitigate the decline in foot traffic and position its business for future growth.

184. The capital was deployed to expand digital capabilities, enhance fulfillment centers, and optimize the customer experience. Additional investments were made in marketing and technology platforms to drive online sales. Over 500 corporate employees were hired to support the expansion.

185. In 2023 and 2024, the Company implemented a series of cost-cutting measures and liquidity-enhancing initiatives in an effort to stabilize its financial position. These efforts included:

- (a) cost reduction initiatives, including workforce reductions and marketing budget cuts, resulting in an overall reduction in selling, general, and administrative expenses by more than \$100,000,000;
- (b) after approaching several institutional clients, lenders, and landlords, securing \$200,000,000 in financing in June of 2023 from an affiliate of Cadillac Fairview and a subsidiary of the Ontario Teachers' Pension Plan to support Canadian retail operations;
- (c) lease monetization efforts, wherein the Company sold valuable leasehold rights and reinvested the proceeds into its retail operations;
- (d) engaging Gordon Brothers to facilitate vendor financing programs, ensuring continued inventory movement; and
- (e) appointing a new CEO of Hudson's Bay to lead the Company's turnaround restructuring efforts. Gross margins improved as a result of changes to the merchandise assortment and promotional activity, but sales declined by more than 30% year-over-year.

186. Additional cost savings measures were taken to mitigate the decline in sales, including reductions to Hudson's Bay's staff in stores and its corporate office.

187. As detailed above, the credit facilities provided to the combined Canadian and U.S. businesses were under single credit facilities, and as a result of the Neiman Marcus Transaction, Hudson's Bay's Canadian business and real estate assets became separately financed with their own standalone credit facilities that the U.S. business is not part of given the U.S. business has its own standalone credit facility. The outstanding amount under the revolving credit exposure of the Canadian business was reduced to \$0 and the outstanding amount owed under the FILO Credit Facility was reduced to the principal amount of \$130,000,000. Similarly, the outstanding amounts owed under the Pathlight Credit Facility was substantially reduced to approximately \$86,000,000, reducing the debt burden on Hudson's Bay's Canadian operations, which allowed it to focus on liquidity preservation, financial sustainability, and improved operations domestically.

188. As set out above, earlier this year, Hudson's Bay had advanced discussions with potential lenders regarding financing commitments. Until recently, the Company was confident it could refinance all or a portion of its Credit Facilities and improve its liquidity position to continue to

execute on its business plan. However, the Trade War and the ensuing uncertainty in financial markets made it extremely challenging for Hudson's Bay to raise incremental financing and monetize its real estate assets. Accordingly, the potential lenders that Hudson's Bay had advanced discussions with were ultimately not willing to provide any financing to improve Hudson's Bay's liquidity position. As a result, in spite of the Company's best efforts, it could not avoid the liquidity crisis that it faces today

VII. URGENT NEED FOR RELIEF

189. Hudson's Bay Canada is facing an imminent liquidity crisis. Hudson's Bay is unable to fund its obligations generally as they come due. Hudson's Bay has not paid rent at several of its leased stores and several of its trade creditors have not been paid.

190. As set out above, Hudson's Bay's failure to pay rent at its stores will imminently set off a rapidly escalating chain of events that leads to defaults under the leases where Hudson's Bay failed to pay rent and cross-defaults on its secured obligations.

191. As set out in the cash flow projection (the "**Cash Flow Forecast**") that was prepared by Hudson's Bay and reviewed by the Proposed Monitor, a copy of which is attached to the pre-filing report of the Proposed Monitor, the Companies critically need immediate financing to continue operating in the ordinary course and to fund these CCAA Proceedings.

VIII. RELIEF SOUGHT

A. Stay of Proceedings

192. As set out above, without the requested Stay and approval of the DIP Agreement, the Companies will be unable to meet their liabilities as they become due and be in default of their secured obligations.

193. The Applicants urgently require the Stay to protect the value of their businesses which will allow them to:

- (a) obtain the funding necessary to continue operations;
- (b) obtain the breathing space required to implement a restructuring, including:
 - i. conducting an orderly wind-down with respect to certain stores;

- ii. marketing certain of their leases; and
- iii. restructuring their operations around a core group of stores.

194. Hudson's Bay is concerned that certain of their landlords will exercise self-help remedies as a result of the missed or delayed payments, including locking out Hudson's Bay from its retail stores. On March 7, 2025, a landlord unlawfully locked Hudson's Bay out of a retail store located in Sydney, Nova Scotia, and a team of bailiffs attempted to seize merchandise from a retail store in Sherway Gardens, Ontario. Hudson's Bay is also concerned that cross-defaults under its credit agreements and the Credit Facilities will similarly result in those lenders attempting to exercise self-help remedies. It would be detrimental to Hudson's Bay Canada and their stakeholders if proceedings were commenced, or rights or remedies were executed against Hudson's Bay.

195. As set out in the Cash Flow Projection, with the funds to be advanced under the DIP Agreement, the Applicant expects to have sufficient cash to fund its projected operating costs during these CCAA Proceedings.

196. The Applicants therefore request the Stay for the initial period of ten days and, if granted by this Court, the Applicants will subsequently request an additional extension of the Stay Period, at the motion where the Applicants will seek, among other things, an amended and restated Initial Order (the "**Comeback Motion**").

B. Extension of Stay to Non-Applicant Stay Parties

197. The Applicants are also requesting to extend the Stay in favour of, and an extension of the protections and authorizations of the Initial Order to the Non-Applicant Stay Parties. As set out above, the Non-Applicant Stay Parties are closely intertwined with the operations of the Applicants, including, among others: (a) being Hudson's Bay's primary real estate subsidiaries and an integral part of Hudson's Bay's real estate business; and (b) being an integral part of the PropCo-OpCo Structure in which certain Non-Applicant Stay Parties, among other things: (i) lease retail space from third-party property owners and sublease the same premises to Hudson's Bay; (ii) leases retail space to Hudson's Bay; and (c) holds title to real estate assets for the benefit of Hudson's Bay (through its subsidiaries).

198. The business and operations of the Non-Applicant Stay Parties is therefore significantly intertwined with those of the Applicants, and any proceedings commenced against the Non-Applicant Stay Parties would consume the Applicants' limited resources.

199. Further, extending the Stay to the Non-Applicant Stay Parties will mitigate against the risk of uncoordinated realization and enforcement attempts in different jurisdictions, all of which would be counterproductive to the maximization and protection of value for the Applicants' stakeholders.

200. The Stay will provide Hudson's Bay Canada with the necessary breathing space required to implement its restructuring, for the benefit of their stakeholders.

C. DIP Facility and DIP Charge²

201. As set out above, the Companies critically need interim financing, including prior to the Comeback Motion. On or about February 25, 2025, the Company, together with its financial advisor, Reflect Advisors, LLC ("**Reflect**"), and in consultation with the Proposed Monitor, began reaching out to potential lenders to solicit their interest in providing debtor-in-possession ("**DIP**") financing to the Company for the duration of the CCAA Proceedings.

202. The Company, Reflect, and the Proposed Monitor reached out to parties who they believed may be interested in providing DIP financing. In addition, Reflect commenced discussions with certain of the Company's secured lenders to solicit their interest.

203. In total, 12 potential lenders were solicited to provide DIP financing to the Company. The Company received two proposals for DIP financing in amounts that would be sufficient to allow the Company to implement its restructuring strategy, including one from certain of its pre-filing secured creditors. The parties were unable to finalize the negotiations and terms of either of those proposals in time to present them for approval at the Initial Hearing.

204. Shortly before the scheduled time of the Initial Hearing, the DIP Lender (who is a pre-filing secured creditor of the Applicants) proposed an interim DIP financing to allow the Company to operate until the Comeback Hearing. The Company and its advisors negotiated the terms of the proposed interim financing and Hudson's Bay, as borrower, and the Guarantors, as guarantors, will enter into the form of the DIP Agreement with the DIP Lender in substantially the same form as the DIP Agreement attached hereto as **Exhibit "E"**, subject to Court approval. Once entered into, the Applicants will provide the Court with a redline comparison of the final executed DIP Agreement compared against the form of the DIP Agreement at Exhibit "E".

² Capitalized terms used in this section and not otherwise defined have the meanings given to them in the DIP Agreement.

205. The Company intends to continue negotiations of the other two DIP financing offers following the Initial Hearing and intends to bring a motion for Court approval at the Comeback Hearing of an agreement for DIP financing in an amount that would allow the Company to implement its restructuring strategy.

206. The DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties made by the Loan Parties to the DIP Lender. The summary of some of the terms of the DIP Agreement is as follows:

	DIP LENDERS
AMOUNT	<p>\$16,000,000.</p> <p>The Facility Amount may be increased on agreement of the DIP Agent, DIP Lender, and Loan Parties with the approval of the Monitor and the Court at the Comeback Hearing.</p>
BORROWING TERMS	<ul style="list-style-type: none"> • Prior to the Comeback Hearing, the DIP Facility shall be made available to the Borrower by way advances (each an, "Advance") from the DIP Lender to an account designated by the Borrower, which Advances shall not exceed the principal aggregate amount of \$16 million or such higher or lower amount as may be authorized by the Initial Order on the Filing Date and agreed to by the DIP Agent.
MATURITY DATE	<p>The earlier of:</p> <ul style="list-style-type: none"> • the occurrence of any Event of Default which is continuing and has not been cured; • the completion of a Permitted Restructuring Transaction; • the effective date of any Plan which is proposed and filed with the Court in the CCAA Proceedings; and • the Outside Date of June 30, 2025.
CCAA MILESTONES	<ul style="list-style-type: none"> • Court shall have issued DIP Approval Order by March 7, 2025. • Court shall have issued, by no later than March 17, 2025, approving: <ul style="list-style-type: none"> ○ borrowing up to the full amount of the Facility Amount; ○ the Liquidation Services Agreement (to apply to not less than 25 stores at any time (unless consented to by DIP Agent or further Court order)); and

	<ul style="list-style-type: none">○ the Lease Solicitation Process.● By no later than March 24, 2025, an order approving, the SISP.● If a Permitted Restructuring Transaction (i.e., one that preserve the Excluded Stores as a going concern) is entered into, such transaction shall be subject to a binding commitment or agreement (not subject to a third party financing condition) no later than six weeks after the Initial Order.● If Permitted Restructuring is not so consummated, Liquidation Services Agreement will apply to the Excluded Stores.● All milestones contemplated by the Lease Solicitation Process and the SISP shall be complied with by the Loan Parties in all material respects
INTEREST RATE AND FEES	<ul style="list-style-type: none">● Term CORRA plus 11.5% <i>per annum</i>, payable monthly in arrears in cash● Upon the occurrence and during the continuation of an Event of Default, Term CORRA plus 14.5% <i>per annum</i> payable on demand in arrears in cash on all overdue amounts● Exit Fee in aggregate amount of 3%, which is fully earned upon execution, but shall not be payable if the Advances made are repaid from an Alternative Financing Arrangement.
USE OF FUNDS	<ul style="list-style-type: none">● To pay reasonable and documented legal and financial advisory fees and expenses of the Loan Parties, the Monitor (and its counsel), DIP Agent and Lender, Pre-Filing Term Loan Agent.● From the Second Monitor Transfer, to cash collateralize L/C, Bank Product and cash management obligations (other than Excess ABL Obligations) in amount reasonably agreed by Pre-Filing ABL Agent.● Interest, fees, other amounts owing to DIP Agent● Interest on amounts owing in connection with Pre-Filing ABL and Term Loan Credit Agreements at the default rates and as provided for in DIP Budget

	<ul style="list-style-type: none">• Operating expenditures, including working capital and general corporate funding during CCAA proceedings. <p>The Loan Parties <u>may not</u> use the proceeds of the DIP Facility to pay any obligations of the Loan Parties and Non-Applicant Stay Parties arising or relating to the period prior to the Filing Date without the prior written consent of the DIP Agent, unless such amounts are identified in the DIP Budget.</p> <p>The Loan Parties also may not pay any rent payable to RioCan-HBC Limited Partnership, HBC YSS 1 Limited Partnership, or HBC YSS 2 Limited Partnership under a Real Property Lease, provided however that the Loan Parties shall be permitted to pay any rent payable by to RioCan-HBC Limited Partnership, HBC YSS 1 Limited Partnership, or HBC YSS 2 Limited Partnership as applicable to its landlord under a head lease that the property subject to such Real Property Lease is subject to.</p>
MANDATORY PREPAYMENTS	Subject to the Priority Payables Reserve, Liquidation Services Agreement and Priority Waterfall, loans to be repaid from 100% of net proceeds of asset sales outside the ordinary course of business (net of payments to holders of Permitted Priority Liens on the assets subject to such disposition).
CONDITIONS PRECEDENT TO ALL ADVANCES:	<ul style="list-style-type: none">• The Loan Parties shall have executed and delivered the Term Sheet, and a guarantee provided by each of the Guarantors• Priority over all Liens on the Collateral other than the Permitted Priority Liens in favour of DIP Lenders.• With respect to Advances up to the full amount of the DIP Facility, the Court shall have issued (i) an amended DIP Approval Order within 10 days of the CCAA filing date, and (ii) an order approving the Liquidation Services Agreement.• The Shared Services Agreement shall be continuing in full force and effect and all services provided thereunder shall be ongoing.• No Default or Event of Default.

REPRESENTATIONS AND WARRANTIES	Customary *Includes representation that no material default has occurred or is continuing under the Material Contracts, other than those arising in connection with the CCAA Proceedings.
COVENANTS:	<ul style="list-style-type: none">• Keep DIP Agent and counsel apprised of any material developments in respect of any Material Contract.• The DIP Agent may request an Updated DIP Budget up to once every two weeks, and if such request is made, the Borrower shall submit the Updated DIP Budget no later than five (5) Business Days following receipt of the request.• Keep DIP Agent informed of offers pursuant to the SISP.• Maintain adequate insurance coverage in coverage and scope acceptable to DIP Agent.• Consult with the DIP Agent with respect to any proposed termination or disclaimer of any Real Property Lease.• Consent of DIP Agent required for disclaimer, termination or materially adverse amendment of any Material Contract.• No intercompany advances, distributions, or other payments may be made, including to Non-Loan Party Applicants, unless provided for in DIP Budget or with the consent of DIP Lender
EVENTS OF DEFAULT	<ul style="list-style-type: none">• Any Milestone set forth on Schedule "F" of the Term Sheet shall not be satisfied• Except as stayed by the Initial Order or consented to by the DIP Agent, a default under, revocation or cancellation of, any Material Contract.

207. The DIP Lenders' Charge is proposed to rank as follows with respect to the assets, properties, and undertakings of the Loan Parties (the "Loan Parties' Property"):

Priority Ranking	ABL Priority Collateral	Pathlight Priority Collateral	Other Collateral (as defined in the DIP Agreement)
1 st	Administration Charge (to the maximum amount of \$2,800,000).	Administration Charge (to the maximum amount of \$2,800,000).	Administration Charge (to the maximum amount of \$2,800,000).
2 nd	KERP Charge Obligations	KERP Charge Obligations	KERP Charge Obligations
3 rd	All amounts owing under the Revolving Credit Facility and FILO Credit Facility (other than Excess ABL Obligations).	All amounts owing under the Pathlight Credit Facility (other than Excess Term Loan Obligations).	Directors' Charge (to the maximum amount of \$13,500,000).
4 th	Directors' Charge (to the maximum amount of \$13,500,000).	All amounts owing under the Revolving Credit Facility and FILO Credit Facility (other than Excess ABL Obligations).	DIP Lenders' Charge.
5 th	DIP Lenders' Charge.	Directors' Charge (to the maximum amount of \$13,500,000)	Directors' Charge (to the maximum amount of \$13,500,000).
6 th	Directors' Charge (to the maximum amount of \$13,500,000).	DIP Lenders' Charge.	
7 th	Term Loan Obligations (other than Excess Term Loan Obligations).	Directors' Charge (to the maximum amount of \$13,500,000).	

208. At the Comeback Motion, the Companies intends to seek approval of additional DIP financing.

209. The Proposed Monitor has advised that it is supportive of the approval of the DIP Agreement and DIP Lenders' Charge.

210. Accordingly, I believe that it is appropriate in the circumstances for this Court to approve the DIP Agreement and the DIP Lenders' Charge.

D. Staying and Suspending Post-Filing Amounts from Hudson's Bay to RioCan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable, under the PropCo-OpCo Structure

211. The Applicants are seeking to stay the payment of rent from Hudson's Bay to RioCan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable.

212. As referenced above, Hudson's Bay implemented the PropCo-OpCo Structure in which: (a) RioCan-Hudson's Bay JV, YSS 1, and YSS 2, as applicable, acquired the tenant's head leasehold interests in the JV Head Leases from Hudson's Bay, and Hudson's Bay entered into subleases with RioCan-Hudson's Bay JV; and (b) RioCan-Hudson's Bay JV acquired freehold interests in seven other properties from Hudson's Bay, and Hudson's Bay entered into leases with RioCan-Hudson's Bay JV.

213. Under the five JV Head Leases that are part of the Opco-PropCo Structure, the monthly rents payable by RioCan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable, to the third-party landlords under the JV Head Leases are below current market rents and the monthly rents payable by Hudson's Bay Company under the subleases for the same leased premises. The monthly rents paid to the landlords and the longer terms under the JV Head Leases reflect the leasing market at the time that the JV Head Leases were entered into. The higher rents under the 2015 Hudson's Bay retail store subleases payable by Hudson's Bay to RioCan-Hudson's Bay JV, YSS 1, and YSS 2, reflect the market rates for the Hudson's Bay store subleases in 2015.

214. RioCan-Hudson's Bay JV, YSS 1, and YSS 2 uses the rents paid by Hudson's Bay under its retail store subleases to fund monthly rents to the head landlords under the JV Head Leases, administrative expenses, and to make debt service payments to its lenders on property specific mortgages. RioCan-Hudson's Bay JV, YSS 1, and YSS 2, typically distributes the remaining rents received each month (net of the rents paid under the JV Head Leases rents and debt service payments due to its lenders) to its limited partners, Hudson's Bay Holdings LP and RioCan, as an equity distribution on a monthly basis (as RioCan-Hudson's Bay JV owns all (but one) of the limited partnership units in each of YSS 1 and YSS).

215. The effect of such relief will be to preserve the status quo by staying the payment of pre-filing secured debt and equity distributions while continuing to pay the rent payable under the JV Head Leases while Hudson's Bay continues to occupy and use the leased premises.

216. As set out above, Hudson's Bay Canada is facing a liquidity crisis. The Cash Flow Forecast does not contemplate Hudson's Bay paying the full amount of rent to RioCan-Hudson's Bay JV under the subleases or Hudson's Bay paying rent under the leases with RioCan-Hudson's Bay JV.

217. The Proposed Monitor has advised that it is supportive of Hudson's Bay paying rent directly to the landlords under the JV Head Leases and not otherwise making any payments to RioCan-Hudson's Bay JV, YSS 1, and YSS 2.

E. Continued Access to Cash Management System

218. Hudson's Bay's and The Bay LP's continued and uninterrupted access to the Cash Management System and the bank accounts associated thereunder are critical to the Companies' ongoing business. If their access to the Bank Accounts is blocked or restricted, the Companies will not be able to operate in the normal course.

219. The Applicants therefore request that Hudson's Bay and The Bay LP be granted continued access with full authority to manage their bank accounts associated with the Cash Management System, and that neither RBC nor TD will restrict their rights in any way in respect of the Bank Accounts associated with the Cash Management System.

F. Appointment of A&M as Monitor

220. A&M has consented to act as the Monitor of the Applicant, subject to Court approval. A&M has retained Bennett Jones LLP ("**Bennett Jones**") as its counsel. A copy of A&M's consent to act is attached hereto as **Exhibit "F"**.

221. I am advised by the Applicants' legal counsel that A&M is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (as amended) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

222. I understand that A&M has extensive experience in matters of this nature and is therefore well suited to this mandate.

223. A&M has provided no accounting or auditing advice to the Applicants. Fees payable to A&M pursuant to its engagement letter are based on hours worked multiplied by normal hourly

rates. A&M is not entitled to any success-based or other contingency-based fee with respect to any of the services provided.

224. I am advised by Greg Karpel of A&M that the Proposed Monitor is supportive of the relief sought by the Applicants in the Initial Order, as described in this affidavit. Mr. Karpel has also advised me that the Proposed Monitor will be filing a pre-filing report of the Proposed Monitor in respect of such relief.

G. Administration Charge

225. The Applicants seek the Administration Charge on the Property in the maximum amount of \$2,800,000 to secure the fees and disbursements incurred in connection with services rendered to the Applicants, both before and after the commencement of the CCAA Proceedings by:

- (a) the Monitor and its counsel, Bennett Jones;
- (b) Stikeman Elliott LLP, the Applicants' counsel; and
- (c) after the Comeback Motion, Reflect, in its capacity as financial advisor to the Companies.

226. The Administration Charge is proposed to rank in priority to all other security interests, trusts, liens, charges, encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person with respect to the assets, properties, and undertakings of the Applicants (the "**Applicants' Property**"), other than a person who has not received notice of the Application.

227. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

228. The Applicants have worked with the Proposed Monitor to estimate the proposed quantum of the Administration Charge. I am advised that the Proposed Monitor believes that the Administration Charge is reasonable and appropriate in the circumstances, given the services to be provided by the beneficiaries of the Administration Charge, the complexities of the CCAA

Proceedings, and the significant fees accrued by the beneficiaries of the Administration Charge to date.

H. Directors' Charge

229. To ensure the ongoing stability of Hudson's Bay Canada's business during the CCAA Proceedings, Hudson's Bay Canada require the active and committed involvement of the D&Os. Certain of the D&Os have indicated, however, that due to the potential personal exposure associated with certain of Hudson's Bay Canada's liabilities where D&Os may be liable, they cannot continue their service unless the Initial Order grants them certain protections commonly granted to directors and officers of companies involved in CCAA proceedings.

230. The Companies maintain directors' and officers' liability insurance (the "**D&O Insurance**") for the D&Os. However, it is uncertain whether all claims for which the D&Os may be personally liable will be covered by the D&O Insurance given the convoluted nature of the exclusions provided for under the D&O Insurance and potential coverage positions that may be taken by the insurer. It is also uncertain whether the amount of coverage provided by the D&O Insurance will be sufficient to adequately protect the D&Os from liability and to incentivize the D&Os to continue their service with the Companies.

231. Absent approval by this Court of the Directors' Charge in the amounts set out above, I have been advised that all of the Companies' D&Os will resign, which would, in all likelihood, render the CCAA Proceedings much more challenging, and possibly much more costly, and also likely destroy potential value of the business to the detriment of the Companies' creditors and other stakeholders.

232. Accordingly, the Applicants seek a charge on the Property in the amount of \$26,300,00 to secure payment under the indemnity granted by the Initial Order in favour of the D&Os. At the Comeback Motion, the Applicants will seek to increase the quantum of the Directors' Charge to \$49,200,000. The Directors' Charge is proposed to rank immediately after the Administration Charge and ahead of all other Encumbrances with respect to the Applicants' Property. It is intended that the Directors' Charge will only apply in circumstances where the D&O Insurance is insufficient or ineffective.

233. The Proposed Monitor has advised that it is supportive of the proposed Directors' Charge and quantum thereof.

234. I believe that in these circumstances, the requested Directors' Charge is reasonable and adequate given, notably, the complexity of their business, and the corresponding potential exposure of the D&Os to personal liability, especially in the present context. The quantum of the Directors' Charge contemplated in the Initial Order was specifically sized by the Companies, in consultation with the Proposed Monitor, based upon the potential director liabilities that could be outstanding at any time during the CCAA Proceedings.

I. Proposed Ranking of the Court-Ordered Charges

235. The proposed ranking of the Court-ordered Charges in the Initial Order is as follows:

With respect to the Applicants' Property:

First – Administration Charge (to the maximum amount of \$2,800,000); and

Second – Directors' Charge (to the maximum amount of \$26,300,000).

With respect to the Loan Parties' Property:

Priority Ranking	ABL Priority Collateral	Pathlight Priority Collateral	Other Collateral (as defined in the DIP Agreement)
1 st	Administration Charge (to the maximum amount of \$2,800,000).	Administration Charge (to the maximum amount of \$2,800,000).	Administration Charge (to the maximum amount of \$2,800,000).
2 nd	KERP Charge Obligations	KERP Charge Obligations	KERP Charge Obligations
3 rd	All amounts owing under the Revolving Credit Facility and FILO Credit Facility (other than Excess ABL Obligations).	All amounts owing under the Pathlight Credit Facility (other than Excess Term Loan Obligations).	Directors' Charge (to the maximum amount of \$13,500,000).
4 th	Directors' Charge (to the maximum amount of \$13,500,000).	All amounts owing under the Revolving Credit Facility and FILO Credit Facility (other than Excess ABL Obligations).	DIP Lenders' Charge.
5 th	DIP Lenders' Charge.	Directors' Charge (to the maximum amount of \$13,500,000)	Directors' Charge (to the maximum amount of \$13,500,000).

6 th	Directors' Charge (to the maximum amount of \$13,500,000).	DIP Lenders' Charge.	
7 th	Term Loan Obligations (other than Excess Term Loan Obligations).	Directors' Charge (to the maximum amount of \$13,500,000).	

236. Pursuant to the proposed Initial Order, the Charges on the assets and property of the Companies, as per immediately above, would rank in priority to all other Encumbrances in favour of any person (except for the DIP Lenders' Charge, which shall only constitute a charge on the Loan Parties' Property), and rank behind the security interests of the ABL Agent, the FILO Agent, the ABL Lenders, the Pathlight Agent, and the Pathlight Lenders but in priority to all other Encumbrances) notwithstanding the order of perfection or attachment, except for (a) any secured creditor of the Companies who does not receive notice of this Application; and (b) Permitted Priority Liens (as that term is defined in the DIP Agreement).

237. The Applicants will seek to have the Charges rank ahead of all Encumbrances (except for the DIP Lenders' Charge, which shall only constitute a charge on the Loan Parties' Property) on the Comeback Motion, on notice to those persons likely to be affected thereby.

J. Critical Suppliers

238. The Applicants are seeking authorization to make payments for pre-filing arrears to the Critical Suppliers that provide the Applicants with essential services and/or products, with the consent of the Monitor.

239. The cooperation of the Critical Suppliers is necessary for the Companies to maintain their operations.

240. The Applicants do not have any readily available means to replace the Critical Suppliers; even if they did, doing so would be time consuming and costly.

241. The proposed form of Initial Order provides that payments to the Critical Suppliers will only be made with the express authorization of the Monitor, and only to Critical Suppliers that the Monitor agrees are essential to the Companies' business and operations. I believe that this

provides the necessary flexibility required to deal with the circumstances in a time-sensitive manner.

242. The Proposed Monitor supports the Applicants' request to make payments to Critical Suppliers, with the consent of the Monitor.

IX. NEXT STEPS

243. In addition to the Applicants' intent to seek approval from the Court to draw increased amounts under the DIP Facility and an increase to the quantum of the Charges at the Comeback Motion, the Applicants also intend to seek the relief set out below at the Comeback Motion or a subsequent hearing.

244. Details regarding the below-noted relief will be set out in greater detail in a separate affidavit filed in advance of the Comeback Hearing, on appropriate notice to stakeholders.

A. KERP and KERP Charge

245. At the Comeback Motion, the Applicants intend to seek approval of a key-employee retention plan ("**KERP**") and a related Court-ordered priority charge to secure the amounts payable to the key employees (the "**Key Employees**") under the KERP.

246. If a KERP is not approved, I believe it is likely that certain Key Employees will pursue other employment options. Additionally, finding alternative, qualified individuals will be challenging, disruptive, costly, and time consuming for the Applicants, particularly given the Key Employees' institutional knowledge related to the Applicants' businesses. I also believe that the Key Employees will be critical to the operational success of the businesses through these CCAA Proceedings and that they will be critical to advancing the Companies' restructuring plan.

B. Liquidation Approval Order

247. As referenced above, the Companies intend to conduct an orderly liquidation with respect to certain retail stores. The Applicants intend to seek Court approval for a process to conduct an orderly liquidation in a manner that is fair and reasonable for the Applicants, landlords, and other stakeholders.

C. Lease Monetization Process Order

248. Also set out above, Hudson's Bay has various leases which have value as the rents are below-market. The Applicants intend to seek Court approval for a process to market such leases in a manner that is fair and reasonable for the Applicants, landlords, and other stakeholders.

D. Approval of Reflect Engagement

249. On February 14, 2025, the Company engaged Reflect as financial advisor (the "**Reflect Engagement Letter**"), to assist the Company with considering its various strategic alternatives and restructuring options, developing pro-forma financial models in respect of the Company's various alternatives and restructuring options, and other advisory service as may be required and agreed to between the parties.

250. Fees payable under the Reflect Engagement Letter include a monthly fee of \$62,500 for the first two months and hourly fees should a formal restructuring be commenced. Reflect does not earn any "success" fees or any fees that are contingent on certain milestones in a restructuring of the Company.

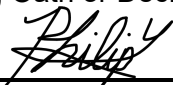
251. Further details regarding Reflect's engagement and a copy of the Reflect Engagement Letter will be provided in a separate affidavit filed in advance of the Comeback Motion.

X. CONCLUSION

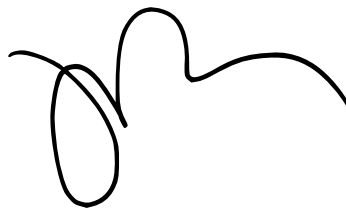
252. For the reasons set out above, I believe that it is in the interest of the Companies and their stakeholders that the Companies be granted protection under the CCAA in accordance with the terms of the proposed Initial Order.

253. I swear this affidavit in support of the Application and for no other or improper purpose.

SWORN remotely via videoconference, by Jennifer Bewley, stated as being located in the City of New York, in the State of New York, before me at the City of Toronto, in Province of Ontario, this 7th day of March, 2025, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits, etc.
Philip Yang | LSO #820840



JENNIFER BEWLEY

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

Court File No. CV-25-00738613-00CL

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**RESPONDING MOTION RECORD OF THE
APPLICANTS
(Re: Proprietary Claims Motion)**

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