

## Charter Auction Process

### Introduction

On March 7, 2025, 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**"), 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. (collectively, the "**Applicants**")<sup>1</sup> obtained an initial order, as may be amended from time to time, under the *Companies' Creditors Arrangement Act* from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Alvarez & Marsal Canada Inc. was appointed by the Court as the monitor of the Applicants (the "**Monitor**").

Hudson's Bay was the oldest continuously operating company in North America, having been established by Royal Proclamation in 1670 by King Charles II pursuant to the Royal Charter of 1670 (the "**Charter**").

On March 21, 2025, the Court granted an Order (the "**SISP Order**"), among other things, approving the Sale and Investment Solicitation Process (the "**SISP**") and authorizing the Applicants and Reflect Advisors LLC ("**Reflect**"), the Court-approved financial advisor to Hudson's Bay, to conduct the SISP under the Monitor's supervision.

On April 24, 2025, the Court approved an amended and restated SISP Order, which, among other things removed the Charter from the property available for sale pursuant to the SISP.

Pursuant to the Order of the Court dated November 21, 2025 (the "**Charter Auction Process Order**"), the Court approved the following process (the "**Charter Auction Process**"). The purpose of the Charter Auction Process is to conduct an auction of the Charter (the "**Charter Auction**"). The Charter Auction Process describes, among other things: (a) the process by which bidders may qualify to participate in the Charter Auction (as defined below); (b) the Charter Auction process; (c) the participation of the FILO Agent and the Pathlight Agent (each as defined in the Affidavit of Jennifer Bewley sworn March 7, 2025) (together, the "**Agents**"); (d) the process for obtaining approval of the Successful Bid (as defined below) by the Court; and (e) the process for closing the Successful Bid and transferring control of the Charter to the designated Public Institution (as defined below), as defined in the participation requirements.

### Participation Requirements

1. Any party that wishes to participate in the Charter Auction (each person, a "**Potential Bidder**") must deliver to Reflect, with a copy to the Monitor, at the addresses specified in Schedule "A" hereto (including by email) by no later than 5:00p.m. Eastern Time on November 28, 2025, the following information (together, a "**Bid Proposal**"):
  - (a) An executed confidentiality agreement in the form provided by Reflect (the "**Confidentiality Agreement**");

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<sup>1</sup> The previous names of the Applicants were as follows: 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 Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. Pursuant to the Amendment to the Approval and Vesting Order (Canadian Tire APA) dated June 23, 2025, the Court authorized the former names of the Applicants to be deleted and replaced with the new legal names of the Applicants. The new legal names, effective as of August 12, 2025, are as follows: 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. (collectively, the "Applicants").

- (b) The identity of the Potential Bidder, the contact information for the Potential Bidder and full disclosure of the principals of the Potential Bidder;
- (c) A commitment (in form and substance satisfactory to Reflect and the Monitor) to bid no less than \$18.5 million at the Charter Auction;
- (d) An acknowledgement that the Charter is of outstanding significance and of high national importance and is protected under the *Canadian Cultural Property Export and Import Act*;
- (e) Confirmation that the Potential Bidder is considering the acquisition of the Charter for its own account only and is making an irrevocable commitment to permanently donate the Charter to one or more Canadian public institutions with the ability to preserve cultural property for the long term and make it accessible to the public through exhibitions, programming, publication, research, or online, and which includes a museum or archives (a “**Public Institution**”) immediately after closing of the purchase of the Charter;
- (f) Details of the terms of the donation, including the amount, if any, the Potential Bidder will donate to the proposed Public Institution to support a consultation process, sharing of the Charter, or other Charter-related activities;
- (g) A letter from the Public Institution to which the Charter is proposed to be donated indicating it will accept the donation and the terms thereof, including the Public Institution’s capacity to ensure the continued preservation of the Charter, the Public Institution’s plan to conduct a consultation process with respect to sharing the Charter with other Public Institutions and Indigenous groups, and the Public Institution’s plans for the Charter while consultations are ongoing;
- (h) Confirmation that the Potential Bidder will bear all costs associated with moving and handling the Charter at the conclusion of the Charter Auction Process and delivering it to the selected Public Institution, if the Potential Bidder is the Successful Bidder (as defined below);
- (i) Confirmation that the Potential Bidder has all requisite authority to participate in the Charter Auction Process and close the purchase of the Charter;
- (j) Confirmation that registration as a Qualified Bidder (as defined below) is non-transferable and that payment to the Company must reflect the billing name and address of the Potential Bidder;
- (k) An attestation that the Charter will not be funded through monies acquired or derived from, or that constitute, “proceeds of crime”, as defined under the *Canadian Criminal Code*;
- (l) Confirmation that the Potential Bidder attorns to the jurisdiction of the Court over the Charter Auction Process and the Charter Auction; and
- (m) Confirmation that the Potential Bidder acknowledges the Charter Auction Process set out in paragraph 5 hereof and will comply with the process.

2. The foregoing requirements shall not apply to Wittington Investments Limited and DKRT Family Corp. who shall be deemed to be a “Qualified Bidder” on the basis of their Joint Bid and Binding Commitment delivered to Reflect on November 14, 2025.
3. Reflect, in consultation with the Applicants, the Monitor and the Agents (provided that the applicable Agent has irrevocably confirmed in writing that it and its principals will not submit or otherwise participate in a Bid Proposal), will review each Bid Proposal and determine prior to the Auction, whether the Potential Bidder constitutes a “Qualified Bidder” such that the Potential Bidder is qualified to participate in the Charter Auction. Evaluation of each Bid Proposal will include, but is not limited to:
  - (a) The identity of the Potential Bidder and its ability to consummate the sale;
  - (b) Confirmation that the Potential Bidder has committed to permanently donate the Charter to a Public Institution immediately after closing of the purchase of the Charter; and
  - (c) The letter from the Public Institution to which the Charter is proposed to be donated indicating that it will accept such donation, including:
    - (a) The Public Institution’s capacity and/or plan to ensure the continued preservation of the Charter;
    - (b) The Public Institution’s commitment and plan to conduct a consultation process with respect to sharing the Charter with other Public Institutions and Indigenous groups; and
    - (c) The Public Institution’s plans for the Charter while consultations are ongoing.
4. Reflect may provide a Potential Bidder and shall provide each Qualified Bidder who has executed the Confidentiality Agreement and requests a copy, with the following materials:
  - (a) Scientific Examination of the Royal Charter of the Hudson’s Bay Company for Hudson’s Bay Company, Toronto, Ontario, Canada dated May 2, 2012. Report No. CSD 4887, CCI 122884;
  - (b) Follow-up Examination of Hudson’s Bay Company Charter wax seal for Hudson’s Bay Company, Toronto, ON, dated June 28, 2013. CCI Number 125651;
  - (c) Treatment Record re: Wax Seal dated June 18, 2015. CCI Number 128112;
  - (d) Outgoing Condition Report: HBC Charter dated February 2019;
  - (e) Condition Report dated January 4, 2022;
  - (f) Condition Assessment & Packing Report dated June 25, 2025;
  - (g) Charter Display Case User Maintenance Guide;
  - (h) Images of each of the five pages of the Charter; and
  - (i) Transcript of the Charter.

## **Charter Auction Process**

5. The Charter Auction will be implemented pursuant to the following process:
- (a) Reflect, in consultation with the Monitor and the Agents, shall determine the rules for and conduct the Charter Auction;
  - (b) Only Qualified Bidders shall be entitled to participate in the Charter Auction;
  - (c) Each Qualified Bidder will designate a single individual to be its sole authorized spokesperson during the Charter Auction;
  - (d) The Charter Auction will commence no later than December 3, 2025, or such later date as agreed to by Reflect and the Monitor in consultation with the Agents, at a time and in a manner to be determined by Reflect in consultation with the Monitor and the Agents;
  - (e) Bid increments at the Charter Auction shall be set by Reflect, in consultation with the Monitor, at the commencement of the Charter Auction and from time to time thereafter and communicated to the Qualified Bidders;
  - (f) All bids made at the Charter Auction shall remain irrevocable and binding on the Qualified Bidder until the later of such Qualified Bidder submitting a higher bid and closing of the sale of the Charter. All bids shall be communicated to all Qualified Bidders participating in the Charter Auction. The Monitor shall maintain a summary of all bids made and announced at the Charter Auction;
  - (g) Reflect, in consultation with the Agents and with the consent of the Monitor, may announce and employ additional rules at the Charter Auction, provided that such rules are: (i) not inconsistent with the Charter Auction Process Order; (ii) disclosed to each Qualified Bidder; and (iii) designed, in Reflect's business judgement, to result in the highest and/or otherwise best Successful Bid (the "**Successful Bid**" and the Qualified Bidder who made the Successful Bid shall become the "**Successful Bidder**");
  - (h) Each Qualified Bidder participating in the Charter Auction must confirm at the commencement and again at the conclusion of the Charter Auction, that it has not engaged in any concerted action with any other person, including a Potential Bidder or a Qualified Bidder (i) without the consent of Reflect and the Monitor, and (ii) that has been disclosed to all other Qualified Bidders;
  - (i) Reflect, in consultation with the Monitor and the Agents, shall determine when the Charter Auction has concluded. The Qualified Bidder who submitted the highest and best bid during the Charter Auction shall be the Successful Bidder, subject to approval of the Court; and
  - (j) No bids submitted after the announced conclusion of the Charter Auction will be considered.

### **Obtaining Court Approval**

6. The Applicants shall seek Court approval of the sale of the Charter as soon as practicable, and in any event within 10 days (subject to Court availability), following conclusion of the Charter Auction.

### **Closing**

7. The Applicants and the Successful Bidder shall complete the sale of the Charter within five business days after approval of the sale by the Court.
8. The sale of the Charter pursuant to the Charter Auction Process shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Applicants, Reflect or the Monitor and each of their respective advisors. Each Qualified Bidder shall be deemed to acknowledge and represent that it had an opportunity to conduct any required due diligence regarding the Charter prior to making any bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents in making its bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Charter, or the completeness of any information provided in connection therewith or the Charter Auction.
9. All the Applicants' right, title, and interest in and to the Charter shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against in accordance with an approval and vesting order of the Court.
10. The Successful Bidder shall bear all risks, costs and expenses associated with storing, securing, preserving, and handling the Charter following the closing, including all risks, costs and expenses associated with transferring the Charter from its storage location. The Applicants and Reflect shall cooperate with the Successful Bidder to coordinate delivery of the Charter.
11. Any dispute regarding the terms of the Charter Auction Process or the conduct of the Charter Auction shall be determined by the Court.

**Schedule "A"**  
**Address for Notices and Deliveries**

*To the Monitor*

Alvarez & Marsal Canada Inc.  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 29000  
P.O. Box 22  
Toronto, ON M5J 2J1

Attn: Alan Hutchens / Greg Karpel  
Email: [ahutchens@alvarezandmarsal.com](mailto:ahutchens@alvarezandmarsal.com) / [gkarpel@alvarezandmarsal.com](mailto:gkarpel@alvarezandmarsal.com)

*With a copy to*

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, ON M5X 1A4

Attn: Michael Shakra / Sean Zweig  
Email: [ShakraM@bennettjones.com](mailto:ShakraM@bennettjones.com) / [ZweigS@bennettjones.com](mailto:ZweigS@bennettjones.com)

*Counsel to the Court-appointed Monitor*

*To the Financial Advisor*

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