

PRELIMINARY INFORMATION ON THE WAGE EARNER PROTECTION PROGRAM

As you are aware, on February 10, 2023 (the “Filing Date”) BBB Canada Ltd. and Bed Bath & Beyond Canada L.P. (together, the “Company”) were granted creditor protection under the *Companies’ Creditors Arrangement Act* (“CCAA”) pursuant to an initial order (as amended and restated, the “Initial Order”) of the Ontario Superior Court of Justice (Commercial List). Among other things, the Initial Order:

- (a) appointed Alvarez & Marsal Canada Inc. as monitor (in such capacity, the “Monitor”) in the Company’s CCAA proceedings (the “CCAA Proceedings”); and
- (b) declared that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act* (the “WEPP Act”), the Company meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations* (the “WEPP Regulations”), and the Company’s former employees are eligible to receive payments under and in accordance with the WEPP Act following the termination of their employment (the “Declaration”).

Together, the WEPP Act and the WEPP Regulations govern the Wage Earner Protection Program (“WEPP”), which provides for the payment of certain outstanding “eligible wages” by employers who are bankrupt, subject to a receivership, or other WEPP qualifying insolvency proceedings, including proceedings under the CCAA.

The Company’s former employees may be eligible to make claims for any unpaid salaries, commissions, compensation for services rendered, other amounts prescribed by the WEPP Regulations (collectively, “Wages”) and/or vacation pay owing to them during the six month period immediately preceding the Filing Date and ending on the later of February 21, 2023 and the date of the Company’s bankruptcy or the date on which there is a receiver in respect of the Company (the “Eligibility Period”).¹ Additionally, the Company’s former employees may be eligible to make claims for termination pay and severance pay that relate to employment that ended during the Eligibility Period.

The maximum that an eligible employee can receive under the program is a one-time payment in accordance with the WEPP Act up to seven times the maximum weekly insurable earnings under the *Employment Insurance Act*, currently being \$8,278.83. Any amount that an eligible employee may be entitled to receive under the WEPP Act will be reduced by amounts received by such employee in respect of eligible wages or in respect of such employee’s termination that is paid following February 21, 2023 (i.e., the date of the Declaration).²

¹ The WEPP Act defines “eligible wages” as (a) wages other than termination pay and severance pay that were earned during the longest of the three periods identified in subsection 2(1)(a)(i)-(iii) of the WEPP Act and (b) termination pay and severance pay that relate to employment that ended (i) during the period referred to in subsection 2(1)(a) of the WEPP Act or (ii) during the period beginning on the day after the day on which the period referred to in subsection 2(1)(a) of the WEPP Act ends and ending on the day on which the trustee is discharged or the receiver completes their duties, as the case may be. For simplicity and clarity, the Eligibility Period referred to herein assumes the period applicable to the Company’s employees will be that referred to under subsection 2(1)(a)(ii) of the WEPP Act.

² Subsection 7(1.1) of the WEPP Act provides that “[e]xcept in the circumstances prescribed by regulation, the amount that may be paid under this Act to an individual is to be reduced by any amounts provided for by regulation.” Section 6 of the WEPP Regulations provides that “[a]ny amount that an individual has received in respect of eligible wages or in respect of the termination of employment that is paid by the former employer or from any other source, excluding

If you believe that you are owed unpaid Wages, vacation pay, termination pay and/or severance pay eligible for payment under the WEPP Act, you may file an application with the Minister of Labour (“WEPP Application”), as described below. Importantly, an employee’s eligibility for payment under the WEPP Act will ultimately be determined by the Minister of Labour in accordance with the WEPP Act and WEPP Regulations.

The Monitor will be mailing you a notice (the “Information Package”) to your last known mailing address on file with the Company, which will include the following items to assist you in your WEPP submission:

- (a) WEPP Application;
- (b) Proof of Claim Form; and
- (c) Summary of WEPP Act Eligible Amounts.

If your mailing address has recently changed, please feel free to reach out to the Monitor to provide the correct address to which the Information Package should be delivered.

Additional information is provided on each of the above-referenced items below:

1) WEPPA Application

- The WEPP Application may be completed online at the following link - <https://www.canada.ca/en/employment-social-development/services/wage-earner-protection/employee/apply.html> or by submitting a paper application form that can be obtained at any Service Canada Office.
- The Information Package mailed to you will contain information about the CCAA Proceeding that you will need to complete your WEPP Application.

2) Proof of Claim Form

- In order to receive a WEPP payment, you are required to file a Proof of Claim for (i) Wages and/or vacation pay outstanding as at the Filing Date and (ii) severance and/or termination pay relating to the termination of your employment during the Eligibility Period (these amounts, as represented in the books and records of the Company, will be provided to you in your Information Package), and the Proof of Claim form will be included for you to complete and submit to the Monitor.

3) Summary of WEPP Act Eligible Amounts

- Eligible amounts include any unpaid (i) Wages and/or vacation pay that may be outstanding relating to the six months immediately preceding the Filing Date and (ii) termination pay and/or severance pay relating to employment ended during the Eligibility Period, to a maximum of \$8,278.83, less any amounts received by an employee in respect of eligible wages or in respect of termination that is paid following February 21, 2023.

any amounts received through other federal or provincial programs, after the date of the bankruptcy or receivership, or the day on which a court determines that the former employer meets the criteria set out in section 3.1 or 3.2, as the case may be, is the amount for the purposes of subsection 7(1.1) of the Act.”

More information on WEPP can be found on the Government of Canada (Employment and Social Development Canada) site linked below:

<https://www.canada.ca/en/employment-social-development/services/wage-earner-protection/employee.html>.

The Monitor strongly encourages you to review the WEPP Act and the WEPP Regulations. To the extent of any inconsistency or conflict between the above and the WEPP Act or the WEPP Regulations, the WEPP Act and the WEPP Regulations govern.