

**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 **NORDSTROM CANADA RETAIL,
INC., NORDSTROM CANADA HOLDINGS, LLC** and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

**MOTION RECORD OF THE APPLICANTS
(Motion for Sale Approval Order)**

March 14, 2023

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TO: **SERVICE LIST**

**ONTARIO
SUPERIOR COURT OF JUSTICE
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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 NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC (the “**Applicants**”)

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(As at March 14, 2023)

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APPLICANTS

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	B. Exhibit "B" – Form of correspondence sent to each known owner of Third-Party Goods or Third-Party FF&E on March 10, 2023 (excluding Exhibit 1)
	C. Exhibit "C" – Purchase Order Terms and Conditions (March 2022)
	D. Exhibit "D" – Purchase Order Terms and Conditions (November 2022)
3.	Draft Sale Approval Order

TAB 1

**ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS
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APPLICANTS

**NOTICE OF MOTION
(Motion for Sale Approval Order)**

The Applicants, Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, and Nordstrom Canada Holdings II, LLC, will make a motion before the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on March 20, 2023, at 9 a.m. (ET), or as soon after that time as the motion may be heard, at 330 University Avenue, 8th Floor, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR

1. A Sale Approval Order substantially in the form included at Tab 3 of the Motion Record:

- (a) abridging the time for service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
- (b) approving a Consulting Agreement between Nordstrom Canada and Canada Leasing LP (together, the “**Merchant**”) and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC and Gordon Brothers Canada, ULC (the “**Consultant**”) dated March 14, 2023 (as may be amended and restated in accordance with the terms of the Sale Approval Order, the “**Consulting Agreement**”);
- (c) approving the proposed sale guidelines (the “**Sale Guidelines**”) for the orderly liquidation of certain Merchandise and FF&E (each as defined below) at each of the Merchant’s stores (as listed as Exhibit “1A” to the Consulting Agreement, the “**Stores**”) and at a third-party distribution centre (the “**Distribution Centre**”) through a “store closing”, “everything must go”, “everything on sale” or similar themed sale (the “**Sale**”);
- (d) authorizing the Merchant, with the assistance of the Consultant, to undertake a liquidation process in accordance with the terms of the Sale Approval Order, the Consulting Agreement and the Sale Guidelines;
- (e) extending the Stay Period, the Parent Stay and the Co-Tenancy Stay¹ to June 30, 2023; and

¹ All capitalized terms not otherwise defined have the meaning given to them in the third affidavit of Misti Heckel, sworn March 14, 2023 (the “**Third Heckel Affidavit**”).

- (f) such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

2. On March 2, 2023, the Applicants were granted protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”) pursuant to the Initial Order of the Superior Court of Justice (the “**Initial Order**”). The Initial Order extended the benefits of the protections and authorizations under the Initial Order to Nordstrom Canada Leasing LP (“**Canada Leasing LP**”, and together with the Applicants, the “**Nordstrom Canada Entities**”).

3. The Initial Order, among other things, authorized the Nordstrom Canada Entities, in consultation with, and with the oversight of Alvarez & Marsal Canada Inc. in its capacity as monitor of the Nordstrom Canada Entities (the “**Monitor**”), to engage in discussions with and solicit proposals and agreements from third parties in respect of the liquidation of all inventory, furniture, fixtures and equipment located in and/or forming part of the Property (as defined in the Initial Order), and return to the CCAA Court for approval of any such agreement.

4. The Nordstrom Canada Entities, with the assistance of the Monitor, and following a competitive bidding process, have selected the Consultant to conduct the liquidation of the Merchandise and FF&E located in the Stores and the Distribution Centre, all as more fully described in the Third Heckel Affidavit.

Sale Approval Order

5. In order to maximize the value of certain inventory that is owned by the Merchant (the “**Merchandise**”) and certain furnishings, trade fixtures, and equipment that are located in the Stores and the Distribution Centre (“**FF&E**”), the Nordstrom Canada Entities are seeking to:

- (a) retain the Consultant pursuant to the Consulting Agreement to complete a liquidation of certain Merchandise and FF&E that are located at the Stores and the Distribution Centre; and
- (b) establish sale guidelines for the orderly conduct of the Sale (the “**Sale Guidelines**”).

6. The Sale of all Merchandise is contemplated to commence on the first business day following the granting of the Sale Approval Order, or such later date as may be agreed by the Merchant and the Consultant in consultation with the Monitor, and will conclude by no later than June 30, 2023.

7. The proposed realization process set out in the Consulting Agreement and the Sale Guidelines was designed by Nordstrom Canada and the Consultant, in consultation with the Monitor. The proposed liquidation process will maximize the value realized from the sale of the Merchandise and FF&E for the benefit of stakeholders. In addition, engaging the Consultant to assist with the sale of the Merchandise and FF&E will produce better results than attempting to liquidate without professional assistance. The Consulting Agreement is expressly subject to, among other things, approval of this Court.

Stay Period

8. The Initial Order granted an initial stay of proceedings until March 12, 2023, or such later date as this Court may order. The Amended and Restated Initial Order granted a further stay of proceedings until March 20, 2023, or such later date as this Court may order. The Applicants are seeking to extend the Stay Period until June 30, 2023 to align with the targeted completion of the Sale.

9. The Applicants are also seeking an extension of the Co-Tenancy Stay and the Parent Stay of all proceedings against Nordstrom US and its direct and indirect subsidiaries (other than the Nordstrom Canada Entities), both granted in the Initial Order and the Amended and Restated Initial Order, until June 30, 2023.

10. The Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing the orderly wind down of the Canadian business. The Nordstrom Canada Entities have given notice of these CCAA proceedings to stakeholders including, most significantly, all landlords, employees, an extensive number and wide variety of vendors and suppliers, and customers. In consultation with the Monitor, the Nordstrom Canada Entities have engaged, and will continue engaging, in discussions with their stakeholders as these CCAA proceedings progress.

11. The Applicants believe that the extension of these stays is necessary and appropriate in the circumstances to allow for the proposed Sale to be undertaken and for Nordstrom Canada to focus on the orderly wind down of the Canadian business.

Other Grounds

12. The provisions of the CCAA, including s. 11.02(2), and the inherent and equitable jurisdiction of this Honourable Court.

13. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and sections 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

14. Such further and other grounds as the lawyers may advise and this Honourable Court may seem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

15. The Affidavit of Misti Heckel, sworn March 8, 2023;

16. The Affidavit of Misti Heckel, sworn March 14, 2023;

17. Second Report of the Monitor, to be filed; and

18. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

March 14, 2023

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Lawyers for the Applicants

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

Court File No: CV-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **NORDSTROM
CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC** and **NORDSTROM CANADA
HOLDINGS II, LLC**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION
(Motion for Sale Approval Order)**

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TAB 2

**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 **NORDSTROM CANADA RETAIL,
INC., NORDSTROM CANADA HOLDINGS, LLC** and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

**AFFIDAVIT OF MISTI HECKEL
(Sworn March 14, 2023)**

I, Misti Heckel, of the City of Renton, in the State of Washington, MAKE OATH AND
SAY:

1. I am the President of Nordstrom Canada Retail, Inc. ("**Nordstrom Canada**"), and President and Treasurer of Nordstrom Canada Holdings, LLC ("**NCH**") and Nordstrom Canada Holdings II, LLC ("**NCHII**"), and together with Nordstrom Canada and NCH, the "**Applicants**"). Together, the Applicants and Nordstrom Canada Leasing LP ("**Canada Leasing LP**") are defined herein as the "**Nordstrom Canada Entities**".

2. In addition to my role as President of Nordstrom Canada and President and Treasurer of NCH and NCHII, I am currently the Vice President - Tax of Nordstrom, Inc. ("**Nordstrom US**"), the indirect parent of the Nordstrom Canada Entities. In my role, I have oversight of the tax function for the Nordstrom Canada Entities and am involved in the financial and tax matters related to the Nordstrom Canada Entities. I am familiar with the business, and have relied upon the books

and records of the Nordstrom Canada Entities. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated and I believe them to be true. In preparing this affidavit, I have also consulted with members of the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective financial and legal advisors. The Nordstrom Canada Entities and Nordstrom US do not waive or intend to waive any applicable privilege by any statement herein.

3. This affidavit is made in support of a motion by the Applicants for a Liquidation Sale Approval Order (the "**Sale Approval Order**"), among other things:

- (a) approving a consulting agreement between Nordstrom Canada and Canada Leasing LP (together, the "**Merchant**") and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC ("**Hilco**") and Gordon Brothers Canada, ULC ("**Gordon Brothers**", and together with Hilco, the "**Consultant**") dated March 14, 2023 (as may be amended and restated in accordance with the terms of the Sale Approval Order, the "**Consulting Agreement**");
- (b) approving the proposed sale guidelines (the "**Sale Guidelines**") for the orderly liquidation of certain Merchandise and FF&E (each as defined below) at each of the Merchant's stores (as listed as Exhibit "1A" to the Consulting Agreement, the "**Stores**") and at the third-party distribution centre (the "**Distribution Centre**") through a "store closing", "everything must go", "everything on sale" or similar themed sale (the "**Sale**");

- (c) authorizing the Merchant, with the assistance of the Consultant, to undertake a liquidation process in accordance with the terms of the Sale Approval Order, the Consulting Agreement and the Sale Guidelines; and
- (d) extending the Stay Period, the Parent Stay and the Co-Tenancy Stay (all as defined below) to June 30, 2023.

4. All references to monetary amounts in this Affidavit are in Canadian dollars unless noted otherwise.

A. Consulting Agreement and Sale Guidelines

(a) Overview of the Liquidation Solicitation Process

5. On March 2, 2023, the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) granted an Initial Order (as amended and restated, the “**Initial Order**”) which, among other things, authorized the Nordstrom Canada Entities, in consultation with, and with the oversight of, Alvarez & Marsal Canada Inc., in its capacity as monitor of the Nordstrom Canada Entities (the “**Monitor**”), to engage in discussions with and solicit proposals and agreements from third-parties in respect of the liquidation of all inventory, furniture, fixtures and equipment (“**FF&E**”) located in and/or forming part of the Property (as defined in the Initial Order), and return to the CCAA Court for approval of any such agreement.

6. In accordance with the authority set out in the Initial Order, on March 2, 2023, the Monitor sent emails to five potential third-party liquidators: (a) seeking proposals with respect to the liquidation of the Merchant’s inventory and FF&E; (b) requesting that any interested third-party

liquidators execute and return a non-disclosure agreement (“**NDA**”); and (c) advising that upon receipt of an executed NDA by the Monitor, each third-party liquidator would be given access to a populated data room (including financial and operational details about the Nordstrom Canada Entities and their inventory and FF&E) and permitted to coordinate site visits to select Stores.

7. In addition to the five potential third-party liquidators contacted by the Monitor, five additional parties contacted the Monitor to express interest in submitting a proposal with respect to the liquidation of the Nordstrom Canada Entities. Of these ten parties, nine signed and returned NDAs and were granted access to the data room and were permitted to coordinate site visits to select Stores.

8. The Monitor requested that all liquidators submit their respective proposals prior to 5:00 p.m. (ET) on March 9, 2023. The deadline was later extended through a communication to each potential liquidator to March 10, 2023 at 12:00 p.m. (ET) (the “**Proposal Deadline**”). Each potential liquidator was asked to consider in its bid whether the liquidation of the Merchandise (as defined below) should proceed on a guaranteed minimum recovery basis (i.e., an agency arrangement), a fee-for-service basis (i.e., a consulting basis), or another structure to be agreed upon by the parties.

9. Four proposals were received from third-party liquidators by the Proposal Deadline, consisting of three proposals to manage the liquidation process and one secondary proposal. Two of the proposals were submitted by liquidators on their own behalf, while the remaining two proposals were submitted by approved joint ventures formed by the remaining four liquidators. The secondary proposal submitted was for removal of remaining inventory near the end of the liquidation sale and not to manage the liquidation process. One liquidator submitted a consulting-

based proposal but advised that a proposal for an agency arrangement could be submitted if requested by the Monitor and/or the Nordstrom Canada Entities. The two joint ventures submitted proposals for both an agency arrangement and a consulting arrangement.

10. Following a careful review of the proposals and discussions with each of the liquidators regarding the terms of their respective proposals, which discussions included the Monitor and its counsel, the Nordstrom Canada Entities selected a contractual joint venture comprised of Hilco and Gordon Brothers to effect the liquidation of Nordstrom Canada's Merchandise and FF&E. The selection of the Consultant was made in consultation with, and with the support of, the Monitor. Both the Nordstrom Canada Entities and the Monitor are of the view that the Consultant's proposal was the most favourable for the Nordstrom Canada Entities and their stakeholders as a whole.

11. The members of the joint venture selected as Consultant have extensive experience conducting retail liquidations of a size similar to the Nordstrom Canada Entities, including *Target Canada*, *Sears Canada*, *American Apparel Canada*, *BCBG Canada*, *Express Fashion Apparel*, *Danier Leather*, and *Forever 21*. Both Hilco and Gordon Brothers are part of the contractual joint venture recently approved by the CCAA Court to conduct the liquidation of the *Bed Bath & Beyond* retail stores across Canada. I understand that Hilco and Gordon Brothers have worked closely together as joint venture partners on many engagements and are well positioned to deploy coordinated, collective resources to effectively undertake and complete the Sale.

12. Following the selection of the contractual joint venture as the Consultant, the Merchant, in consultation with the Monitor, negotiated and finalized the terms of the Consulting Agreement and Sale Guidelines with the Consultant. The Merchant elected to structure the engagement as a

consulting agreement (as opposed to an agency agreement), as such structure is expected to provide the best result for the Nordstrom Canada Entities and their stakeholders.

(b) The Consulting Agreement and Sale Guidelines

13. On March 14, 2023, the Consultant and the Merchant entered into the Consulting Agreement, subject to, among other things, approval of the CCAA Court. A copy of the Consulting Agreement is attached hereto as **Exhibit “A”**. The Consulting Agreement provides, among other things, that:

- (a) the Consultant is appointed as exclusive consultant for purposes of conducting a “store closing”, “everything must go”, “everything on sale” or similar themed sale of:
 - (i) certain inventory that is owned by the Merchant (the “**Merchandise**”), which includes goods saleable in the ordinary course, goods located at or in transit to the Stores on the Sale Commencement Date (as defined below), and/or goods located in or in transit to the Distribution Centre on the Sale Commencement Date which are subsequently delivered to the Stores. Importantly, for purposes of the Sale, “Merchandise” expressly does *not* include, among other things, (A) goods that belong to sublessees, licensees or concessionaires of the Merchant or are leased or licensed from third-parties by the Merchant, or (B) goods held by the Merchant on memo, consignment or pursuant to license or similar arrangements with third-parties, unless otherwise agreed by the Merchant, the Consultant and the applicable third party (collectively, “**Third-Party Goods**”); and

- (ii) certain FF&E located in the Stores and the Distribution Centre (collectively, **“FF&E”**);
- (b) the Sale of all Merchandise will commence on the first business day following the granting of the Sale Approval Order, or such later date as may be agreed by the Merchant and the Consultant in consultation with the Monitor (the **“Sale Commencement Date”**), and will conclude no later than June 30, 2023 (the **“Sale Termination Date”** and the period of the Sale, the **“Sale Term”**);
- (c) active gift cards, gift certificates and unexpired Nordstrom Notes issued by the Merchant prior to the Sale Commencement Date will be honoured by the Merchant throughout the Sale Term;
- (d) all sales of Merchandise will be made on behalf of the Merchant and will be “final” with no returns accepted or allowed, unless otherwise directed by the Merchant;
- (e) the Consultant will ensure that during the Sale, no sale price or promotional stickers or tags are affixed to any Merchandise or Additional Consultant Goods except as permitted by the Consulting Agreement;
- (f) the Sale of certain FF&E on an “as is, where is” basis in the Stores will commence on the Sale Commencement Date and end on the 21st day following the applicable Sale Termination Date. The timing, sale, and removal of FF&E located in the Distribution Centre, if any, will be agreed at a later date by the Merchant, the Consultant, and the owner and operator of the Distribution Centre, in consultation with the Monitor, which process may be undertaken up to the effective date of the

disclaimer or termination of the agreements between the Merchant and the third party operator of the Distribution Centre (the last day of the applicable removal period of FF&E from the Stores and the Distribution Centre is referred to herein as the “**FF&E Removal Deadline**”). In both cases, only FF&E that is (i) fully owned by the Merchant, (ii) owned jointly by the Merchant and one or more third-party vendors of the Merchant (with the consent of the Monitor and agreed to by such third-party), or (iii) fully owned by a third-party if agreed to by such third-party and the Merchant with the consent of the Monitor, will be included in the Sale;

- (g) throughout the Sale Term, the Consultant will (i) provide qualified supervisors engaged by the Consultant and approved in advance by the Merchant to oversee the management of the Stores and the Sale, (ii) recommend appropriate in-Store, point-of-sale and external advertising for the Stores, all of which must be approved in advance by the Merchant, (iii) recommend appropriate discounts of Merchandise, staffing levels for the Stores, and appropriate bonus and incentive programs, if any, for the Stores’ employees, in each case approved in advance by the Merchant in consultation with the Monitor, (iv) oversee display of Merchandise for the Stores, and (v) provide such other related services deemed necessary or appropriate by the Merchant and the Consultant, in consultation with the Monitor;
- (h) as consideration for its services in accordance with the Consulting Agreement, the Consultant is entitled to payment of a base fee equal to 1.5% of gross receipts, calculated using the “gross rings” (net only of sales taxes), from the sales of Merchandise during the Sale Term and 15% of the gross proceeds (net only of sales

taxes) of FF&E. The Consultant is also entitled to payment of an incentive fee (the “**Additional Incentive Compensation**”) equal to the aggregate sum of the percentages set forth below (i.e. calculated back to first dollar) for the corresponding Gross Recovery Percentage (as defined in the Consulting Agreement) achieved, provided however, that no Additional Incentive Compensation will be earned or payable where the Gross Recovery Percentage¹ is less than 131%:

Gross Recovery Percentage	Additional Incentive Compensation
131%-133.99%	An additional 0.4% of Gross Proceeds (total fee equal to 1.9% of Gross Proceeds)
134%-136.99%	An additional 0.4% of Gross Proceeds (total fee equal to 2.3% of Gross Proceeds)
137%-139.99%	An additional 0.4% of Gross Proceeds (total fee equal to 2.7% of Gross Proceeds)
Above 140%	An additional 0.4% of Gross Proceeds (total fee equal to 3.1% of Gross Proceeds)

- (i) the Merchant is responsible for all expenses of the Sale as delineated in aggregate budget(s) established by the Merchant and the Consultant, in consultation with the Monitor;
- (j) by no later than the second business day following entry of the Sale Approval Order, or such later date as may be agreed by the Consultant and the Merchant, the Merchant is required to pay \$465,000 to the Consultant to be held by the Consultant

¹ The Gross Recovery Percentages are based on a relationship between Cost Value and Retail Price — a “Cost Factor” of 43%. For every 25 basis points increase (or decrease) in the Cost Factor, each Additional Incentive Compensation Gross Recovery Percentage threshold will decrease (or increase) by 80 basis points. For certainty, in no event will the combined Merchandise Fee and Additional Incentive Compensation equal more than 3.1% of Gross Proceeds.

on account of any final amounts owing by the Merchant after completion of the Final Reconciliation (as defined below);

- (k) the Merchant and the Consultant, in consultation with the Monitor, will reconcile all accounting matters every Wednesday for the prior calendar week and will complete a final reconciliation and settlement of all amounts payable pursuant to the Consulting Agreement no later than 45 days after the Sale Termination Date for the last Store or the date on which the Consulting Agreement is terminated in accordance with its terms; and
- (l) at the conclusion of the Sale Term and the FF&E Removal Deadline, as applicable:
 - (i) to the extent there is any Merchandise remaining (**“Remaining Merchandise”**), such Remaining Merchandise will be sold on behalf of the Merchant or otherwise disposed of by the Consultant as directed by the Merchant, in consultation with the Monitor;
 - (ii) to the extent there is any Merchandise, Remaining Merchandise, FF&E or Remaining FF&E (as defined below) remaining in the Stores immediately prior to the Sale Termination Date that include the trademarks and/or intellectual property of Nordstrom US and its affiliates, Nordstrom US may purchase the goods at such arm’s-length consideration as agreed upon between Nordstrom US and the Merchant with the consent of the Monitor or elect to have such goods destroyed by the Merchant at the sole cost and expense of Nordstrom US;

- (iii) following the applicable FF&E Removal Deadline, the Consultant will remove and otherwise dispose of any and all FF&E that is owned, in whole or in part, by the Merchant, which has not been sold by the Consultant prior to the FF&E Removal Deadline (the “**Remaining FF&E**”), as directed by the Merchant, in consultation with the Monitor, provided however, that the Merchant may, in its sole discretion, with the consent of the Monitor, and subject in all respects to the Sale Guidelines described below, instruct the Consultant to abandon in any Store any Remaining FF&E by providing written notice to the Consultant by no later than seven days prior to the applicable FF&E Removal Deadline; and
- (iv) the Consultant will surrender the premises for each Store to the Merchant in “broom swept” and clean condition and, if requested by the Merchant, in accordance with the lease requirements for such Store.

14. The Consultant has the right under the Consulting Agreement to supplement the Merchandise in the Sale at the six retail stores under the “Nordstrom” banner (collectively, the “**Full Line Stores**”) with additional goods procured by the Consultant that are: (a) jewelry of like kind and no lesser quality to the jewelry Merchandise in the Sale at the Full Line Stores; or (b) of like kind and no lesser quality to the Merchandise in the Sale at the Full Line Stores and procured from existing vendors of the Merchant (including goods that had previously been ordered by or on behalf of the Merchant from such vendors) or from other vendors similar to the Merchant’s existing vendors, in each case, as consented to by the Merchant in advance (collectively, the “**Additional Consultant Goods**”).

15. Pursuant to the Consulting Agreement, the Additional Consultant Goods sold as part of the Sale may not exceed \$10 million at cost in the aggregate and the Sale Term may not be extended on account of the inclusion of the Additional Consultant Goods in the Sale. The Consultant must pay the Merchant an amount equal to 7.5% of the gross proceeds (net only of sales taxes) from the sale of all Additional Consultant Goods.

16. The Merchant has been advised that the Consultant is of the view that augmentation of the Merchandise with the Additional Consultant Goods will contribute to the success of the proposed liquidation sale by encouraging increased foot traffic in key areas where the Merchant's previous inventory was comprised largely of Third-Party Goods (which, as discussed above, are anticipated to be removed from the Store by the applicable vendor prior to commencement of the Sale), and by ensuring that consumers find the mix and quality of goods they expect. The Additional Consultant Goods will also benefit the Merchant's stakeholders by increasing recoveries since the Consultant will pay 7.5% of the gross proceeds (net only of sales taxes) from all sales of Additional Consultant Goods to the Merchant.

17. Importantly, the scope of the Additional Consultant Goods permitted under the Consulting Agreement has been carefully and narrowly drafted to ensure that only those goods which are necessary to facilitate the success of the Sale and which meet stringent quality requirements can be sold by the Consultant as part of the Sale.

18. The Consulting Agreement is also subject to the Sale Guidelines which are attached as Exhibit "B" to the Consulting Agreement. The Sale Guidelines provide, among other things, that:

- (a) subject to the Sale Approval Order, any further order of the CCAA Court, and any subsequent written agreement between the Merchant and its landlord(s), the Sale will be conducted in accordance with the terms of the applicable lease;
- (b) neither the Merchant nor the Consultant will conduct any auctions of Merchandise or FF&E at the Stores;
- (c) the Sale will be conducted during the normal hours of operation provided in each lease, until the Sale Termination Date;
- (d) the Sale will be conducted in accordance with applicable federal, provincial and municipal laws and regulations (unless otherwise ordered by the CCAA Court);
- (e) the Sale may be advertised as a “everything on sale”, “everything must go”, “store closing” and/or similar theme sale at the Stores (provided, however, that no signs may advertise the Sale as a “bankruptcy”, a “liquidation” or a “going out of business” sale);
- (f) the Consultant may include additional merchandise of the Merchant in the Sale, including: (i) additional merchandise that is currently in the possession or control of the Merchant (including in any distribution centre used by the Merchant) or which has previously been ordered by or on behalf of the Merchant and is currently in transit to the Merchant (including any distribution centre used by the Merchant) or a Store, and (ii) the additional merchandise is of like kind and category and no lesser quality to the Merchandise;

- (g) the Consultant may include the Additional Consultant Goods to the extent permitted under the terms of the Consulting Agreement;
- (h) the Consultant must make commercially reasonable efforts to arrange walk-throughs with any requesting landlord to identify FF&E that is subject to the Sale. If any dispute arises regarding the Consultant's entitlement to sell or remove any FF&E, such FF&E will remain on the premises and be addressed in the manner agreed between the Merchant, the Consultant and such landlord, or by further Order of the Court upon application by the Merchant on at least two-business days' notice to the landlord and the Monitor;
- (i) at the conclusion of the FF&E Removal Deadline in each Store, the Consultant will leave the Store in a "broom-swept" and clean condition, and will arrange that the Store is in the same condition as on the commencement of the Sale, ordinary wear and tear excepted;
- (j) the Merchant is only permitted to instruct the Consultant to abandon any Remaining FF&E in any Store (in accordance with the Consulting Agreement) if the applicable landlord has consented thereto, such abandonment is not prohibited under the applicable lease, or upon further order of the Court;
- (k) if a notice of disclaimer of lease is delivered to the landlord during the course of the Sale, the landlord may show the affected Store to prospective tenants during normal business hours on giving the Merchant, the Monitor, and the Consultant at least 24 hours' prior written notice; and

- (l) the Consultant will designate a party to be contacted by the landlords should a dispute arise concerning the conduct of the Sale. If the parties are unable to resolve the dispute between themselves, the landlord or the Merchant may schedule a “status hearing” before the CCAA Court on no less than two days written notice to the other party or parties and the Monitor. During this time, and pending determination of the issue by the CCAA Court, the Consultant will suspend all activity in dispute other than activities expressly permitted by the Sale Guidelines.

19. The Sale Guidelines may be amended on a store-by-store basis on the written agreement of the Merchant, the Consultant, and the applicable landlord, with the consent of the Monitor.

20. Importantly, neither Third-Party Goods nor FF&E owned by a third-party (“**Third-Party FF&E**”) are included in the Sale (unless agreed to by such third-party and the Merchant with the consent of the Monitor). Accordingly, in order to verify ownership and facilitate third-parties’ retrieval of their respective Third-Party Goods and/or Third-Party FF&E, representatives of the Merchant, the Monitor, the Consultant, and certain applicable store landlords conducted walk-throughs with certain third-parties on March 13 and 14, 2023 to review and confirm ownership of all Third-Party Goods and Third-Party FF&E.

21. Third-Party Goods and Third-Party FF&E that are verified as owned by third-parties and are non-fixed and carriable by hand may be removed from the Store at specified times during the period of March 17 to 19, 2023. Third-Party FF&E that cannot be carried and/or is affixed must remain in the Store through to conclusion of the Sale and will be addressed at a later date. Attached as **Exhibit “B”** is an example of the form of correspondence (excluding Exhibit 1 which provided parking and loading dock instructions by store) sent to each known owner of Third-Party Goods

or Third-Party FF&E regarding the foregoing walk-through and retrieval processes. It is anticipated that additional correspondence will be sent to such third-parties providing updated logistical information for the retrieval process.

22. The Consulting Agreement is expressly subject to, among other things, approval of the CCAA Court. The realization process set out in the Consulting Agreement and the Sale Guidelines was designed by the Merchant and the Consultant, in consultation with the Monitor. I expect that the proposed liquidation process will maximize the value realized from the sale of the Merchandise and FF&E for the benefit of stakeholders. I also am of the view that engaging the Consultant to assist with the sale of the Merchandise and FF&E will produce better results than attempting to liquidate without professional assistance.

23. The Merchant intends to consult and work cooperatively with each landlord throughout the entirety of the Sale, and to make best efforts to address any concerns raised by landlords to the extent possible. The Merchant, through its counsel, Osler Hoskin & Harcourt LLP (“**Osler**”), has already undertaken significant discussions with counsel for certain landlords since the granting of the Initial Order in an effort to keep such landlords fully apprised regarding the details of the proposed Sale and address any concerns or comments such landlords may have prior to finalization of the proposed Sale.

24. In addition, I understand from the Consultant that it is experienced in addressing the suite of landlord issues that typically arise in the type of Sale process contemplated by the Consulting Agreement, Sale Guidelines, and Sale Approval Order.

25. In addition to the landlords, the Merchant has undertaken significant discussions with numerous vendors of the Merchant regarding the proposed Sale. The Merchant intends to work with the Consultant to address vendor matters as they arise during the Sale.

26. I am advised by the Monitor and believe that the Monitor supports the proposed Sale, including the proposed timeline for completion of same.

27. The Nordstrom Canada Entities believe that the Sale must be commenced as soon as possible to maximize recoveries available to their respective stakeholders and to limit ongoing operating costs, thereby ensuring that the Merchant can exit from all Stores as soon as practicable and, in any event, before the FF&E Removal Deadline. In the circumstances, any delay in commencing the Sale could compromise the net recoveries generated from the sale of the Merchandise and FF&E.

B. Sale Merchandise

28. The Merchant intends to include Merchandise in the Sale which it has paid for or for which title has passed. The Merchant's merchandise vendors, including its concession vendors for their wholesale inventory, are party to Purchase Orders with standard terms and conditions (as Seller) with Nordstrom Canada or Canada Leasing LP (as Purchaser) (the "**PO Terms and Conditions**"). Depending on when the applicable purchase order was issued, merchandise vendors would either be subject to the PO Terms and Conditions updated March 2022 or the PO Terms and Conditions updated November 2022. The PO Terms and Conditions govern the Merchant's sale of wholesale inventory purchased from its merchandise vendors. Copies of both PO Terms and Conditions are attached hereto as **Exhibits "C" and "D"**.

29. Since the granting of the Initial Order, the Merchant (including through its counsel, Osler) has undertaken discussions with both concession vendors and merchandise vendors of the Merchant regarding the proposed Sale. The Merchant will continue to engage with its vendors to address any matters which may arise during the course of the Sale.

C. Relief Sought

(a) Sale Approval Order

30. The proposed Sale Approval Order requested by the Applicants approves, authorizes and ratifies the Consulting Agreement, including the Sale Guidelines, the transactions contemplated thereunder, and authorizes the Merchant to execute the Consulting Agreement with such minor amendments (to the Consulting Agreement but not the Sale Guidelines) as the Merchant (with the consent of the Monitor) and the Consultant may agree to in writing. In addition, the proposed Sale Approval Order:

- (a) authorizes the Merchant, with the assistance of the Consultant, to conduct the Sale in accordance with the terms of the Sale Approval Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Stores in accordance with the Sale Guidelines, provided that, if there is a conflict between the terms of the Sale Approval Order, the Consulting Agreement or the Sale Guidelines, the order of priority of documents to resolve such conflict is (1) the Sale Approval Order, (2) the Sale Guidelines, and (3) the Consulting Agreement;

- (b) permits the Consultant the right to syndicate and partner with additional entities to serve as “Consultant” under the Consulting Agreement in accordance with the terms thereof;
- (c) subject to the landlord notice provisions at paragraph 13 of the Initial Order, authorizes the Merchant, with the assistance of the Consultant, to market and sell, or otherwise dispose of, the Merchandise, FF&E and Additional Consultant Goods on a “final sale” and/or “as is” basis in accordance with the Sale Guidelines and the Consulting Agreement, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, and financial, monetary or other claims;
- (d) subject to the terms of the Sale Approval Order, the Initial Order, the Sale Guidelines and the Consulting Agreement, grants the Consultant the right to enter and use the Stores and Distribution Centre and all related store services and all facilities and all furniture, trade fixtures and equipment, including the FF&E, located at the Stores and Distribution Centre, and other assets of the Merchant as designated under the Consulting Agreement, for the purpose of conducting the Sale and for such purposes, extends the benefit of the stay of proceedings granted under the Initial Order to the Consultant;
- (e) grants certain protections from liability in favour of the Consultant, including that:
 - (i) the Consultant shall not be deemed to be an owner or in possession, care, control or management of the Stores or the Distribution Centre; (ii) the Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or

common employer or payor within the meaning of any legislation, statute or regulation; and (iii) the Consultant shall have no responsibility for any liability whatsoever relating to claims of customers, employees and any other persons arising from events occurring at the Stores during and after the term of the Sale, or at the Distribution Centre, or otherwise in connection with the Sale, except to the extent that such claims are the result of events or circumstances caused or contributed to by the gross negligence or willful misconduct of the Consultant, its employees, supervisors, independent contractors, agents or other representatives, or otherwise in accordance with the Consulting Agreement; and

- (f) orders that, subject to the notice requirements defined in the Sale Approval Order, to the extent any landlord has a claim against the Merchant arising solely out of the conduct of the Consultant in conducting the Sale and, in turn, the Merchant has a claim against the Consultant under the Consulting Agreement arising from such conduct, the Merchant will be deemed to have assigned such claim against the Consultant under the Consulting Agreement free and clear to the applicable landlord.

31. I am advised by the Monitor and believe that the Monitor supports the Applicants' request for the Sale Approval Order.

(b) Extension of the Stay Period, Co-Tenancy Stay and Parent Stay

(i) Stay Period

32. The Applicants are seeking to extend the stay of proceedings granted in the Initial Order (the “**Stay Period**”) up to and including June 30, 2023. The extension of the Stay Period is necessary and appropriate in the circumstances to allow for the proposed Sale to be undertaken and for the Merchant to focus on the orderly wind down of the Canadian business. As noted above, the targeted Sale Termination Date is June 30, 2023 – the same date as the requested extension.

33. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing the orderly wind down of the Canadian business. As described further in my Affidavit sworn March 8, 2023, the Nordstrom Canada Entities have given notice of these CCAA proceedings to stakeholders including, most significantly, all landlords, employees, an extensive number and wide variety of vendors and suppliers, and customers. In consultation with the Monitor, the Nordstrom Canada Entities have engaged, and will continue engaging, in discussions with their stakeholders as these CCAA proceedings progress.

34. I understand that the Monitor will file a report (the “**Monitor’s Second Report**”) which will include, among other things, a cash flow forecast demonstrating that, subject to the underlying assumptions contained therein, the Nordstrom Canada Entities will have sufficient funds to continue their operations and fund these CCAA proceedings through June 30, 2023. I further understand that the Monitor's Second Report will recommend that the Stay Period be extended.

(ii) Co-Tenancy Stay

35. The Initial Order granted a stay of potential rights, including termination rights and claims for rent reduction or abatement, that may be asserted by third-party tenants and occupants in commercial properties where the Stores are located that arise as a result of the making of the proposed Initial Order for the Stay Period (the “**Co-Tenancy Stay**”).

36. An extension of the Co-Tenancy Stay is necessary and appropriate to assist the landlords in dealing with the effects of the wind down of the Nordstrom Canada Entities’ operations, including the completion of the proposed Sale in each Store over the coming months, on an orderly basis.

(iii) Parent Stay

37. The Applicants are seeking an extension of the temporary stay granted in favour of Nordstrom US and its direct and indirect subsidiaries (other than the Nordstrom Canada Entities) in the Initial Order (the “**Parent Stay**”). The Applicants believe that such extension of the Parent Stay is necessary to allow the Nordstrom Canada Entities the breathing space and time necessary to complete the Sale while continuing to engage with vendors and landlords who may be affected by the Parent Stay.

38. With respect to the landlords, all rent payments to landlords in Canada are paid current and will be made on an ongoing basis throughout these CCAA proceedings in accordance with the Initial Order. The Nordstrom Canada Entities, in consultation with the Monitor, are continuing to explore potential transactions in respect of the leases. In addition, should any of the leases be disclaimed, the Sale Guidelines provide the landlords with broad rights to show premises to

potential tenants following the Merchant's delivery of a disclaimer of lease to the landlord during the course of the Sale. The Applicants are accordingly of the view that no landlord will be prejudiced by the requested extension to the temporary Parent Stay and that such extension will provide the necessary time and space for landlord claims to be dealt with in an efficient and consistent manner.

SWORN BEFORE ME over videoconference
this 14th day of March, 2023 in accordance with
O. Reg. 431/20, Administering Oath or
Declaration Remotely. The affiant is located in
the City of Renton, in the State of Washington
and the commissioner is located in the City
Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
HANNAH DAVIS
LSO# 85047N



MISTI HECKEL

This is Exhibit "A" referred to in the Affidavit of Misti
Heckel sworn March 14, 2023.

A handwritten signature in blue ink, appearing to read 'H Davis', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

CONSULTING AGREEMENT

This Consulting Agreement, dated as of March 14, 2023 (this “**Agreement**”) is made by and between Nordstrom Canada Retail, Inc. (“**Nordstrom Canada**”) and Nordstrom Canada Leasing LP (“**Canada Leasing LP**”, and together with Nordstrom Canada, the “**Merchant**”) and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC and Gordon Brothers Canada, ULC (collectively, the “**Consultant**”, and together with the Merchant, the “**Parties**”), under which the Consultant shall act as the exclusive consultant for the purpose of conducting a sale of certain Merchandise (as defined below) at the Merchant’s stores set forth on Exhibit “1A” (each a “**Store**” and collectively, the “**Stores**”) and at the third party distribution centre set forth on Exhibit “1B” annexed hereto (the “**Distribution Centre**”) through a “store closing”, “everything must go”, “everything on sale” or similar themed sale (the “**Sale**”) in accordance with the terms of the sale guidelines substantially in the form attached hereto as Exhibit “B” (the “**Sale Guidelines**”). Only the Merchant’s approved Sale terminology, including the foregoing advertising handles, will be utilized at each Store.

RECITALS:

WHEREAS:

- A. The Merchant operates a network of six (6) retail stores under the “Nordstrom” banner (collectively, the “**Full Line Stores**”) and seven (7) retail stores under the “Nordstrom Rack” banner in Ontario, British Columbia and Alberta.
- B. On March 2, 2023, Nordstrom Canada, Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC (the “**Applicants**”) commenced proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act* and obtained an initial order (as amended and restated on March 10, 2023, and as may be further amended and restated from time to time, the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Although not an applicant in the CCAA Proceedings, pursuant to the Initial Order, the stay of proceedings and authorizations and protections of the Initial Order were extended to Canada Leasing LP (together, with the Applicants, the “**Nordstrom Canada Entities**”).
- C. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor (the “**Monitor**”) in the CCAA Proceedings and the Nordstrom Canada Entities, in consultation with the Monitor, were authorized to conduct the Liquidation Solicitation Process (as defined in the Initial Order).
- D. The Merchant intends to seek an order in the CCAA Proceedings approving, among other things, this Agreement and the conduct of the Sale, in accordance with the terms hereof and the Sale Guidelines (the “**Liquidation Sale Approval Order**”).
- E. The Consultant is willing to serve as the Merchant’s exclusive consultant for the purpose of providing such consulting services, upon the terms and conditions and in the manner set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Merchandise

For purposes hereof, “**Merchandise**” shall mean all inventory that is owned by the Merchant and actually sold in the Stores during the Sale Term (as defined below), which includes goods saleable in the ordinary course, located at or in transit to the Stores on the Sale Commencement Date (as defined below) and/or located in or in transit to the Distribution Centre on the Sale Commencement Date and thereafter delivered to the Stores as mutually agreed by the Merchant and the Consultant. “Merchandise” does not mean and shall not include: (a) goods that belong to sublessees, licensees or concessionaires of the Merchant or are leased or licensed from third parties by the Merchant; (b) owned, partially owned, third party owned and/or leased furnishings, trade fixtures, equipment and/or improvements to real property that are located in the Stores and the Distribution Centre; (c) damaged or defective goods that cannot be sold; (d) goods held by the Merchant on memo, consignment or pursuant to license or similar arrangements with third parties, unless otherwise agreed by the Merchant, the Consultant and the applicable third party (which, for certainty, shall, with such agreement, constitute “Merchandise” hereunder); (e) gift cards (third party and Merchant branded), gift certificates or Nordstrom Notes issued by the Merchant; and (f) Additional Consultant Goods (as defined below).

2. Sale Term

- (a) For each Store, the Sale shall commence on the first business day following the entry of the Liquidation Sale Approval Order, or such later date as may be agreed by the Parties in consultation with the Monitor (the “**Sale Commencement Date**”), and conclude no later than June 30, 2023 (the “**Sale Termination Date**”); provided, however, that the Parties may, in consultation with the Monitor, mutually agree in writing to extend the Sale Termination Date or to terminate the Sale at any Store prior to the Sale Termination Date. The period between the Sale Commencement Date and the Sale Termination Date shall be referred to as the “**Sale Term**”.
- (b) At the conclusion of the Sale Term and the FF&E Removal Period (as defined below), the Consultant shall surrender the premises for each Store to the Merchant (i) in “broom swept” and clean condition; and (ii) if requested by the Merchant, in accordance with the lease requirements for such premises; provided, however, that, if the Merchant requests that the Consultant surrender any premises in accordance with the lease requirements, except for costs in respect of damage caused by the Consultant (including its employees, agents or representatives) for which the Consultant is in law responsible, the Merchant shall bear all other costs and expenses associated with surrendering the premises in accordance with the lease requirements for such premises to the extent such expenses were incurred by the Consultant in accordance with a budget mutually agreed to in writing between the Consultant and the Merchant prior to surrender of the premises. At the conclusion of the Sale at each Store, the Consultant shall photographically document the condition of each Store and provide such photographs to the Merchant within ten

(10) days. Photographs shall reference with specificity each Store by number, name and/or location.

- (c) At the conclusion of the Sale Term, to the extent there is any Merchandise remaining on the Sale Termination Date (the “**Remaining Merchandise**”), such Remaining Merchandise shall, subject to the terms hereof, be sold on behalf of Merchant or otherwise disposed of by the Consultant as directed by the Merchant, in consultation with the Monitor. The costs and expenses of removing and disposing of the Remaining Merchandise shall be incurred pursuant to a written budget or budgets (in addition to the Expense Budget (as defined below)), to be established from time to time by mutual agreement of the Parties with the consent of the Monitor (the “**Remaining Merchandise Costs**”). Any associated expenses shall be paid by the Merchant as Remaining Merchandise Costs and in accordance with the budget referred to herein, and the gross receipts thereof (net of sales taxes) shall be included in the calculation of the Merchandise Fee and Additional Incentive Compensation (each as defined below) due to the Consultant. To the extent any proceeds from any sale or disposition of any Remaining Merchandise is received by the Consultant after the applicable Sale Termination Date, such proceeds shall be treated in accordance with Section 7.

3. Project Management

- (a) Consulting Services

The Merchant will seek from the Court the Liquidation Sale Approval Order. Subject to the entry of and the terms of the Liquidation Sale Approval Order, the Merchant hereby retains the Consultant and the Consultant hereby agrees to serve as an independent consultant to the Merchant in connection with the conduct of the Sale as set forth herein. With respect to the Sale, the Consultant shall serve as the sole and exclusive consultant to the Merchant relative thereto throughout the Sale Term and may not be compensated by any other party, except as provided for herein.

- (b) Consultant’s Undertakings

During the Sale Term, the Consultant shall, in collaboration with the Merchant, (i) provide qualified supervisors (the “**Supervisors**”) engaged by the Consultant and approved in advance by the Merchant to oversee the management of the Stores and the Sale; (ii) recommend appropriate in-Store, point-of-sale and external advertising (including signage) for the Stores, all of which shall be approved in advance by the Merchant; (iii) recommend appropriate discounts of Merchandise, staffing levels for the Stores, and appropriate bonus and incentive programs, if any, for the Stores’ employees, in each case, approved in advance by the Merchant in consultation with the Monitor; (iv) oversee display of Merchandise for the Stores, subject to the terms hereof; (v) to the extent that information is available, evaluate sales of Merchandise by category and sales reporting and monitor expenses; (vi) maintain the confidentiality of all proprietary or non-public information regarding the Merchant, the Stores and the underlying leases in accordance with the provisions of the confidentiality agreements signed by the Parties (the “**Confidentiality Agreements**”); (vii) assist the Merchant in connection with managing and controlling loss prevention and employee relations matters; (viii) to the extent necessary, assist the Merchant in obtaining all required permits and governmental consents required to conduct the Sale, except as otherwise provided in the

Liquidation Sale Approval Order; and (ix) provide such other related services deemed necessary or appropriate by the Merchant and the Consultant, in consultation with the Monitor.

The Consultant shall provide qualified supervision to oversee the conduct of the Sale in the Stores as may be required to maximize sales, the expense for which is included in the Expense Budget. In connection with the Sale, the Consultant shall indirectly retain and engage the Supervisors. The Supervisors shall not be deemed to be employees or consultants of the Merchant in any manner whatsoever; nor do the Supervisors have any relationship with the Merchant by virtue of this Agreement or otherwise which creates any liability or responsibility on behalf of the Merchant for the Supervisors. During the Sale Term, the Supervisors shall perform the services provided for herein during normal Store operating hours and for the period of time prior to the Stores opening and subsequent to the Stores closing, as required in connection with the Sale, in the Consultant's discretion and direction. In consideration of the Consultant's engagement of the Supervisors, the Merchant agrees to pay the Consultant, as a Sale Cost (as defined below), the amount of the reasonable and documented Supervisor-related wages, fees paid to arm's length third parties, travel, expenses, deferred compensation and third-party payroll costs and expenses, in accordance with and subject to the Expense Budget (collectively, the "**Supervisor Costs**"). The Supervisor Costs set forth in the Expense Budget include, among other things, industry standard deferred compensation. The Merchant shall reimburse the Consultant for all Supervisor Costs weekly, based upon invoices or other documentation reasonably satisfactory to the Merchant and the Monitor.

All right, title and interest of the Merchant in and to its Merchandise and FF&E (as defined below) shall remain with the Merchant at all times during the Sale Term until such Merchandise (including Remaining Merchandise) and FF&E (including Remaining FF&E (as defined below)), as applicable, is sold or otherwise disposed of in accordance with the terms hereof and the Liquidation Sale Approval Order. Although the Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the benefits to the Merchant, the Merchant expressly acknowledges that the Consultant is not guaranteeing the results of the Sale. All sales of Merchandise and FF&E in the Stores and the Distribution Centre shall be made in the name and on behalf of the Merchant, and all sales during the Sale Term and any applicable removal period shall be final with no returns accepted or allowed following the Sale Commencement Date (including with respect to any items purchased prior to the Sale). The Parties acknowledge and agree that the Stores shall accept cash, active gift cards, gift certificates and unexpired Nordstrom Notes issued by the Merchant, and credit and debit cards, during the Sale.

Without limiting the generality of the foregoing or the terms of the Confidentiality Agreements, all information of a business nature relating to the pricing, sales, promotions, marketing, assets, liabilities or other business affairs of the Nordstrom Canada Entities, its customers, employees, parent, subsidiary, or other affiliated entities (for purposes of this paragraph and the paragraph that follows immediately hereafter, all such entities are included within each reference to "**Nordstrom Canada Entities**") constitutes the Nordstrom Canada Entities' confidential, trade secret information ("**Nordstrom Canada Confidential Information**"), which is and shall remain the exclusive intellectual property of the Nordstrom Canada Entities and shall be treated as strictly confidential by the Consultant in accordance with and subject to the Confidentiality Agreements. The Consultant agrees to maintain strict confidentiality in accordance with the Confidentiality Agreements and agrees that it may use Nordstrom Canada Confidential

Information only as reasonably necessary to the performance of its obligations related to the Sale. If and to the extent the use or other handling of any Personal Information (as defined below) is necessary for the Consultant to perform its obligations hereunder, the Consultant shall comply with all Data Security Requirements (as defined below) and such other reasonable restrictions requested by the Nordstrom Canada Entities. For purposes of this Agreement, “**Personal Information**” means any natural person’s name, street address, telephone number, e-mail address, social insurance number, driver’s license number, passport number, credit card number, or user or account number, or any other piece of information that, individually or when combined with other information, allows the identification of a natural person or is otherwise considered personally identifiable information or personal data protected under any applicable Data Security Requirement. For purposes of this Agreement, “**Data Security Requirements**” means, collectively, all of the following to the extent relating to privacy, security, or security breach notification requirements: (i) the Nordstrom Canada Entities’ own rules, policies, and procedures; (ii) all applicable statutes and regulations; (iii) industry standards applicable to the industry in which the Nordstrom Canada Entities’ business is conducted (including, as applicable, the Payment Card Industry Data Security Standard (PCI DSS)); and (iv) contracts into which the Nordstrom Canada Entities have entered or by which they are otherwise bound, provided such contracts (or the requirements of such contracts) are provided to the Consultant.

The Parties expressly acknowledge and agree that the Nordstrom Canada Entities shall have no liability to the Supervisors for debts, wages, bonuses, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from the hiring or engagement of the Supervisors, and the Supervisors shall not be considered employees of the Nordstrom Canada Entities.

The Consultant acknowledges and agrees that, notwithstanding anything to the contrary herein, any Merchandise, Remaining Merchandise, FF&E, Remaining FF&E or other goods (including, for certainty, any signage, tagging and labels), remaining in the Stores immediately prior to the Sale Termination Date that include the trademarks and/or intellectual property of Nordstrom, Inc. and its affiliates (collectively, other than the Nordstrom Canada Entities, “**Nordstrom US**”), shall, at the election of Nordstrom US, be (i) purchased by Nordstrom US at such arm’s length consideration as agreed upon between Nordstrom US and the Merchant with the consent of the Monitor, or (ii) destroyed by the Merchant at the sole cost and expense of Nordstrom US, and, in each case, no fees or other amounts shall be payable to the Consultant hereunder in connection with any of the foregoing.

(c) Merchant’s Undertakings

During the Sale Term, the Merchant shall: (i) be the employer of the Stores’ employees, other than the Supervisors; (ii) be responsible for all taxes, costs, expenses, accounts payable, and other liabilities relating to the Stores, the Stores’ employees and other representatives of the Merchant (excluding, for greater certainty, the Supervisors); (iii) prepare and process all tax forms and other documentation with respect thereto; (iv) collect all sales taxes and other applicable taxes assessed on the sale of the Merchandise, Additional Consultant Goods and FF&E, and pay them to the appropriate taxing authorities; (v) use reasonable efforts to cause the Merchant’s employees to cooperate with the Consultant and the Supervisors; (vi) execute all agreements mutually determined by the Merchant and the Consultant, in consultation with the Monitor, to be necessary or desirable for the operation of the Stores during the Sale; (vii) arrange for the ordinary

maintenance of all point-of-sale equipment required for the Stores; and (viii) use commercially reasonable efforts to ensure that the Consultant may access and use the Stores and the Distribution Centre for the Sale Term and the FF&E Removal Period in order to perform its obligations under this Agreement.

The Merchant shall provide throughout the Sale Term central administrative services necessary for the Sale, including (without limitation) customary point-of-sale administration, sales audit, cash reconciliation, accounting, and payroll processing, as currently available through the Merchant's existing accounting and IT systems, all at no cost to the Consultant.

The Parties expressly acknowledge and agree that the Consultant shall have no liability to the Merchant's employees for wages, bonuses, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from the Merchant's employment, hiring or retention of its employees, and such employees shall not be considered employees of the Consultant.

4. The Sale

All sales of Merchandise shall be made on behalf of the Merchant. The Consultant does not have, nor shall it have, any right, title or interest in the Merchandise. All sales of Merchandise shall be by cash, active gift card, gift certificate or unexpired Nordstrom Note issued by the Merchant, or credit or debit card, in accordance with the Merchant's policies, and shall be "final" with no returns accepted or allowed, unless otherwise directed by the Merchant. The Merchant and the Consultant shall not sell gift cards or gift certificates during the Sale Term.

5. Consultant Fee and Expenses in Connection with the Sale

In consideration of its services hereunder, the Consultant shall earn a base fee equal to one and a half percent (1.5%) of the Gross Proceeds (as defined below) of Merchandise sold at the Stores during the Sale Term (the "**Merchandise Fee**"). For purposes of this Agreement, "Gross Proceeds" means gross receipts (including, without limitation, gift card, gift certificate or unexpired Nordstrom Notes issued by the Merchant), calculated using the "gross rings", from sales of Merchandise during the Sale Term, net of applicable sales taxes. For the purposes of calculating Gross Proceeds, the Merchant and the Consultant shall keep (a) a strict count of gross register receipts less applicable sales taxes; and (b) cash reports of sales within each Store.

In addition to the Merchandise Fee, and not in lieu thereof, the Merchant shall pay to the Consultant from Gross Proceeds an additional fee based upon the Gross Recovery Percentages achieved as set forth in the following table (the "**Additional Incentive Compensation**"). The Additional Incentive Compensation shall be equal to the aggregate sum of the percentages set forth in the "Additional Incentive Compensation" column of the table (e.g., calculated back to first dollar) for the corresponding Gross Recovery Percentage achieved; provided, however, no Additional Incentive Compensation shall be earned or payable where the Gross Recovery Percentage is less than 131%:

<u>Gross Recovery Percentage</u>	<u>Additional Incentive Compensation</u>
Between 131% and 133.99%	An additional 0.4% of Gross Proceeds (total fee equal to 1.9% of Gross Proceeds)
Between 134% and 136.99%	An additional 0.4% of Gross Proceeds (total fee equal to 2.3% of Gross Proceeds)
Between 137% and 139.99%	An additional 0.4% of Gross Proceeds (total fee equal to 2.7% of Gross Proceeds)
Above 140%	An additional 0.4% of Gross Proceeds (total fee equal to 3.1% of Gross Proceeds)

For purposes of the Additional Incentive Compensation:

“**Cost Value**” with respect to each item of Merchandise sold shall mean the lower of (i) the lowest per unit vendor cost in the File or in the Merchant’s books and records, maintained in the ordinary course consistent with historic practices; or (ii) the Retail Price.¹

“**File**” shall mean the following files provided to the Consultant: “3.1 Canada Stock on Hand.xlsx.” and “3.2 Nordstrom Canada Inventory On Order”.

“**Gross Recovery Percentage**” shall mean the Gross Proceeds divided by the sum of the aggregate Cost Value of all of the Merchandise.

“**Retail Price**” shall mean with respect to each item of Merchandise sold, the retail price reflected at the register for such item, excluding the discount granted in connection with such sale.

The Merchant shall be responsible for all expenses of the Sale, including, without limitation, all Store operating expenses, all costs and expenses related to the Merchant’s other retail store operations (if any), and all of the Consultant’s reasonable and documented out-of-pocket expenses incurred pursuant to the Expense Budget (the “**Sale Costs**”). To control Sale Costs, the Merchant and the Consultant, in consultation with the Monitor, have established an aggregate budget (the “**Expense Budget**”) of certain delineated expenses, including, without limitation, payment of the costs of supervision (including Supervisor Costs), advertising and signage costs, and other miscellaneous expenses expected to be incurred by the Consultant, including reasonable legal fees. The Expense Budget for the Sale is attached hereto as Exhibit “C”. The Expense Budget may only be modified by mutual written (including email) agreement of the Consultant and the Merchant with the consent of the Monitor. The Supervisor Costs set forth on Exhibit “C” include, among other things, industry standard deferred compensation. Notwithstanding anything to the contrary herein, unless otherwise agreed to by the Merchant in

¹ The Gross Recovery Percentages are based on a relationship between Cost Value and Retail Price — a “Cost Factor” of 43%. For every 25 basis points increase (or decrease) in the Cost Factor, each Additional Incentive Compensation Gross Recovery Percentage threshold will decrease (or increase) by 80 basis points. For certainty, in no event will the combined Merchandise Fee and Additional Incentive Compensation equal more than 3.1% of Gross Proceeds.

writing with the consent of the Monitor, the Merchant shall not be obligated to pay any Sale Costs that are not included or provided for in the Expense Budget, as it may be amended in accordance with this Agreement. The Merchant shall reimburse the Consultant for all Sale Costs incurred by the Consultant up to the aggregate budgeted amount set forth in the Expense Budget.

By no later than the second business day following the entry of the Liquidation Sale Approval Order, or such later date as may be agreed by the Parties, and as a condition to the Consultant's obligations under this Agreement, the Merchant shall fund to the Consultant \$465,000 (the "**Special Purpose Payment**"), by the Consultant on account of any final amounts owing to the Consultant hereunder until the Final Reconciliation (as defined below), and the Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amount owing to the Consultant under this Agreement prior to the Final Reconciliation. Without limiting any of the Consultant's other rights, the Consultant may apply the Special Purpose Payment to any unpaid obligation owing by the Merchant to the Consultant under this Agreement following the completion of the Final Reconciliation on prior written notice to the Monitor. Any portion of the Special Purpose Payment not so applied shall be returned to the Merchant within five (5) business days following the Final Reconciliation.

6. Furniture, Fixtures and Equipment

- (a) The Consultant shall also undertake to sell, commencing on the Sale Commencement Date and ending on the FF&E Removal Deadline (as defined below), on an "as is where is" basis, the furniture, fixtures and equipment located at the Stores and the Distribution Centre that is (i) fully owned by the Merchant; (ii) owned jointly by the Merchant and one or more third party vendors of Merchant as directed by Merchant with the consent of the Monitor and agreed to by such third parties; or (iii) fully owned by a third party if agreed to by such third party and the Merchant with the consent of the Monitor (collectively, the "**FF&E**"). The Consultant shall advertise in the context of advertising for the Sale that such FF&E is available for sale, and shall contact and solicit known purchasers and dealers of furniture, fixtures and equipment. Any Nordstrom US or third party trademarks on FF&E shall be removed prior to any sale to the extent reasonably practicable to do so if requested by Nordstrom US or such third party, and in all cases, at the sole cost of Nordstrom US or such third party, respectively.
- (b) The Merchant shall be responsible for all reasonable and documented costs and expenses incurred by the Consultant in connection with the sale of FF&E, including the sale, removal, and disposal of Remaining FF&E, which costs and expenses shall be incurred pursuant to a written budget or budgets (in addition to the Expense Budget) to be established from time to time by mutual agreement of the Parties with the consent of the Monitor (such costs and expenses, not including the Sale Costs, shall be referred to as the "**FF&E Costs**"). After payment to the Consultant of the applicable FF&E Fee (as defined below) and the FF&E Costs, the Merchant shall also be responsible for paying, from the sale proceeds received from the sale of any FF&E (i) owned jointly by the Merchant and one or more third party vendors of the Merchant; or (ii) fully owned by a third party, to such third party, such third party's

pro rata share of such sale proceeds net of any applicable sales taxes, FF&E Fee and FF&E Costs.

- (c) In consideration for providing the services set forth in this Section 6, the Consultant shall be entitled to a commission from the sale of FF&E equal to fifteen percent (15%) of the gross proceeds of the sale of FF&E, net of applicable sales taxes (the “**FF&E Fee**”).
- (d) “**FF&E Removal Period**” means (i) with respect to each Store, the twenty-one (21) day period following the applicable Sale Termination Date for such Store; and (ii) with respect to the Distribution Centre, the period up to the effective date of the disclaimer or termination of the agreements between the Merchant and the third party operator of the Distribution Centre. The last date of the applicable FF&E Removal Period shall be referred to herein as the “**FF&E Removal Deadline**”.
- (e) Subject to Sections 6(f) and 6(g), on the FF&E Removal Deadline, the Consultant shall remove and otherwise dispose of any and all FF&E that is owned, in whole or in part, by the Merchant, which has not been sold by the Consultant prior to such FF&E Removal Deadline (the “**Remaining FF&E**”), as directed by the Merchant, in consultation with the Monitor. To the extent any proceeds from any sale or disposition of any Remaining FF&E is received by the Consultant after the FF&E Removal Deadline, the Consultant shall remit such proceeds to the Merchant net of the FF&E Fee. Any associated expenses shall be paid by the Merchant as FF&E Costs and in accordance with the budget referred to herein, and the gross receipts thereof (net of sales taxes) shall be included in the calculation of the FF&E Fee due to the Consultant. The removal of any Remaining FF&E shall be done in accordance with the Sale Guidelines, as applicable. For the avoidance of doubt, the right, title and interest in the Remaining FF&E shall not at any time vest in and to the Consultant.
- (f) Notwithstanding anything herein to the contrary, the Merchant may, in its sole discretion and with the consent of the Monitor, instruct the Consultant to abandon any Remaining FF&E in any of the Stores by providing written notice to the Consultant by no later than seven (7) days prior to the applicable FF&E Removal Deadline. If so instructed, as of the FF&E Removal Deadline, the Consultant may abandon in place, in a neat and orderly manner, any unsold FF&E at the applicable Store. If the Consultant chooses to remove any Remaining FF&E notwithstanding receipt of the aforementioned notice from the Merchant, the Consultant shall assume all costs and expenses relating to the removal of such FF&E and retain all proceeds from the sale thereof for its own account.
- (g) Notwithstanding anything to the contrary herein, the terms and conditions regarding the access to, timing of, sale and removal of the FF&E located in the Distribution Centre, if any, shall be agreed by the Merchant, the Consultant and the owner and operator of the Distribution Centre, in consultation with the Monitor. The Consultant and the Merchant shall mutually agree upon procedures for the collection of the sale proceeds from sales of FF&E located in the Distribution Centre.

- (h) Notwithstanding anything in this Agreement to the contrary, the Consultant shall not have any obligation whatsoever to cap any electrical or plumbing outlets or purchase, sell, make, store, handle, treat, dispose, or remove any hazardous materials from the Stores, Distribution Centre or otherwise. The Consultant shall have no liability to any party for any environmental action brought: (i) that is related to the storage, handling, treatment, disposition, generation, or transportation of hazardous materials; or (ii) in connection with any remedial actions associated therewith or the Stores or the Distribution Centre, in each case, save and except for any gross negligence or wilful misconduct on its part.

7. Payments & Accounting

All proceeds of sales of Merchandise and FF&E through the Sale and the FF&E Removal Period shall be collected by the Merchant's Store management personnel and deposited into the Merchant's existing deposit accounts. During the Sale Term, all accounting matters (including, without limitation, the determination of the Merchandise Fee, Sale Costs, FF&E Fee, FF&E Costs and all other fees, expenses, or other amounts reimbursable or payable hereunder) shall be reconciled by the Parties, in consultation with the Monitor, on every Wednesday for the prior calendar week and the amounts determined to be owing for such prior calendar week pursuant to such reconciliation shall be paid within seven (7) days after each such weekly reconciliation.

The Parties shall, in consultation with the Monitor, complete a final reconciliation and settlement of all amounts payable pursuant to this Agreement, including, without limitation, the determination of the Merchandise Fee, Sale Costs, FF&E Fee, FF&E Costs and all other fees, expenses, or other amounts reimbursable or payable hereunder (the "**Final Reconciliation**"), no later than forty five (45) days following the earlier of: (a) the Sale Termination Date for the last Store; or (b) the date upon which this Agreement is terminated in accordance with its terms. Within ten (10) days after the completion of the Final Reconciliation, (i) any amounts that are determined to be owing by the Merchant to the Consultant shall be paid by the Merchant to the Consultant pursuant to this Agreement, and (ii) any amounts that are determined to be owing by the Consultant to the Merchant pursuant to this Agreement (including any full or partial refund of the Special Purpose Payment) shall be paid by the Consultant to the Merchant.

8. Additional Consultant Goods

Subject to the Liquidation Sale Approval Order, the Consultant shall have the right to supplement the Merchandise in the Sale at the Full Line Stores with additional goods (of like kind and no lesser quality) procured by Consultant which are (a) jewelry of like kind and no lesser quality to the jewelry Merchandise in the Sale at the Full Line Stores; or (b) of like kind and no lesser quality to the Merchandise in the Sale at the Full Line Stores and procured from existing vendors of the Merchant (including goods that had previously been ordered by or on behalf of the Merchant from such vendors) or from other vendors similar to the Merchant's existing vendors, in each case, and consented to by the Merchant in advance (collectively, the "**Additional Consultant Goods**"); provided, however, that, (i) the Additional Consultant Goods sold as part of the Sale will not exceed \$10 million at cost in the aggregate; and (ii) the Sale Term shall not be extended on account of the inclusion of the Additional Consultant Goods in the Sale. The Additional Consultant Goods shall be purchased by Consultant as part of the Sale, and delivered to the Full Line Stores. Sales of Additional Consultant Goods shall be run through the Merchant's cash register systems;

provided, however, that the Merchant shall assist with marking, and the Consultant shall mark the Additional Consultant Goods, using “dummy” SKUs or unique “fee codes” or department numbers, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. For the avoidance of doubt, the Merchant shall provide the Consultant with “dummy” SKUs or unique “fee codes” within seven (7) days of the Sale Commencement Date. The Consultant and the Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods. Additionally, the Consultant shall provide signage acceptable to the Merchant in the Full Line Stores which notify customers that the Additional Consultant Goods have been included in the Sale.

The Consultant shall pay to the Merchant an amount equal to seven and one-half percent (7.5%) of the gross proceeds (excluding sales taxes) from the sale of Additional Consultant Goods completed during the Sale Term (the “**Additional Consultant Goods Fee**”), and the Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods. Any amount due from the Consultant to the Merchant in respect of the sale of Additional Consultant Goods in accordance with this Section 8 shall be paid not later than three (3) business days following the Parties’ completion of each weekly reconciliation with respect to sales of Additional Consultant Goods sold by the Consultant during the prior week (or at such other mutually agreed upon time).

The Consultant and the Merchant intend that the transactions relating to the Additional Consultant Goods are, and shall be construed as, a true consignment from the Consultant to the Merchant in all respects and not a consignment for security purposes. Subject solely to the Consultant’s obligations to pay to the Merchant the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of the Consultant, and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds. The Merchant shall, at the Consultant’s sole cost and expense, insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard to same with the Merchant’s insurers. The Consultant shall be responsible for payment of any deductible under any such insurance in the event of any casualty affecting the Additional Consultant Goods.

The Merchant acknowledges, and the Liquidation Sale Approval Order shall provide, that the Additional Consultant Goods shall be consigned to the Merchant as a true consignment under applicable law. Subject to the Court’s issuance of the Liquidation Sale Approval Order, the Consultant is hereby granted a first priority security interest in and lien upon (i) the Additional Consultant Goods; and (ii) the Additional Consultant Goods proceeds, and the Consultant is hereby authorized to make any filings and provide notifications to any prior secured parties and which security interest shall be deemed perfected pursuant to the Liquidation Sale Approval Order without the requirement of any such filings or providing notifications to any prior secured parties (provided that, the Consultant is hereby authorized to deliver all required notices and file all necessary financing statements and amendments thereof under applicable law identifying the Consultant’s interest in the Additional Consultant Goods as consigned goods thereunder and the Merchant as the consignee therefor, and the Consultant’s security interest in and lien upon such Additional Consultant Goods and Additional Consultant Goods proceeds).

9. Indemnification

(a) Merchant's Indemnification

The Merchant shall indemnify, defend, and hold the Consultant and its consultants, members, managers, partners, officers, directors, employees, attorneys, advisors, representatives, principals, affiliates, and Supervisors (collectively, "**Consultant Indemnified Parties**" and each a "**Consultant Indemnified Party**") harmless from and against all liabilities, claims, demands, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to: (i) the willful or negligent acts or omissions of the Nordstrom Canada Indemnified Parties (as defined below); (ii) the material breach of any provision of, or the failure to perform any obligation under, this Agreement by the Merchant; (iii) any liability or other claims, including, without limitation, product liability claims, asserted by customers, any Store employees, or any other person (excluding the Consultant Indemnified Parties) against the Consultant or the Consultant Indemnified Parties, except claims arising from the negligence, willful misconduct, gross negligence, or unlawful behavior of the Consultant or the Consultant Indemnified Parties; (iv) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of the Consultant Indemnified Parties or the Merchant's customers by the Nordstrom Canada Indemnified Parties; and (v) the Merchant's failure to pay over to the appropriate taxing authority any taxes required to be paid by the Merchant during the Sale Term in accordance with applicable law.

(b) Consultant's Indemnification

The Consultant shall indemnify, defend and hold the Nordstrom Canada Entities and their consultants, members, managers, partners, officers, directors, employees, attorneys, advisors, representatives, principals, and affiliates (other than the Consultant or the Consultant Indemnified Parties) (collectively, "**Nordstrom Canada Indemnified Parties**" and each a "**Nordstrom Canada Indemnified Party**") harmless from and against all liabilities, claims, demands, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to (i) the willful or negligent acts or omissions of the Consultant Indemnified Parties; (ii) the material breach of any provision of, or the failure to perform any obligation under, this Agreement by the Consultant; (iii) any liability or other claims made by the Consultant's Indemnified Parties or any other person (excluding Nordstrom Canada Indemnified Parties) against a Nordstrom Canada Indemnified Party arising out of or related to the Consultant's conduct of the Sale, except claims arising from the Merchant's or any Nordstrom Canada Indemnified Parties' negligence, willful misconduct, gross negligence, or unlawful behavior; (iv) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of Nordstrom Canada Indemnified Parties, or the Merchant's customers by the Consultant or any of the Consultant Indemnified Parties; and (v) any claims made by any party engaged by the Consultant as an employee, agent, representative or independent contractor arising out of such engagement, including, without limitation, the Supervisors.

10. Insurance

(a) Merchant's Insurance Obligations

The Merchant shall maintain throughout the Sale Term all liability insurance policies (including, without limitation, products liability, comprehensive public liability and auto liability

insurance) covering injuries to persons and property in or in connection with the Stores that are maintained by the Merchant and in effect as of the date of this Agreement, and shall, to the extent reasonably practicable, cause the Consultant to be named an additional insured with respect to all such policies. At the Consultant's request, the Merchant shall provide the Consultant with a certificate or certificates evidencing the insurance coverage required hereunder. In addition, the Merchant shall maintain throughout the Sale Term, in such amounts as it currently has in effect, workers compensation insurance in compliance with all statutory requirements.

(b) Consultant's Insurance Obligations

The Consultant shall maintain (at its sole cost and expense) throughout the Sale Term, liability insurance policies (including, without limitation, products liability/completed operations, contractual liability, comprehensive public liability and auto liability insurance) on an occurrence basis in an amount of at least \$1 million and an aggregate basis of at least \$5 million. covering injuries to persons and property in or in connection with the Consultant's provision of services hereunder. The Consultant's insurance policies will be primary to any insurance carried by the Merchant, whose insurance(s), will be excess and non-contributory for claims and losses arising out of Consultant's performance under this Agreement. In addition, the Consultant shall name the Merchant as an additional insured and loss payee under such policy, and upon execution of this Agreement provide the Merchant with a certificate or certificates evidencing the insurance coverage required hereunder. In addition, the Consultant shall maintain throughout the Sale Term, workers' compensation insurance in compliance with all statutory requirements. Further, should the Consultant employ or engage third parties to perform any of the Consultant's undertakings with regard to this Agreement, the Consultant will ensure that such third parties are covered by the Consultant's insurance or maintain all of the same insurance as the Consultant is required to maintain pursuant to this paragraph and name the Merchant as an additional insured and loss payee under the policy for each such insurance.

11. Representations, Warranties, Covenants and Agreements

(a) Representations and Covenants of the Merchant

Each entity comprising the Merchant represents, warrants, covenants and agrees that, subject to the issuance of the Liquidation Sale Approval Order: (i) it is duly organized, validly existing and in good standing under the laws of its province of organization, with full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary actions of it and this Agreement constitutes a valid and binding obligation of it enforceable against it in accordance with its terms and conditions, and the consent of no other entity or person is required for it to fully perform all of its obligations herein; (iii) all ticketing of Merchandise at the Stores has been and will be done in accordance with the Merchant's customary ticketing practices; (iv) all normal course hard markdowns on the Merchandise have been, and will be, taken consistent with the Merchant's customary practices; and (v) subject to the Initial Order, Sale Guidelines and this Agreement, the Stores will be operated in the ordinary course of business in all respects, except as otherwise expressly agreed to by the Merchant and the Consultant, in consultation with the Monitor.

(b) Representations and Covenants of the Consultant

Each entity comprising the Consultant represents, warrants, covenants and agrees that: (i) it is a company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, with full power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder; (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary actions of it and this Agreement constitutes a valid and binding obligation of it enforceable against it in accordance with its terms and conditions, and the consent of no other entity or person is required for it to fully perform all of its obligations herein; (iii) it shall comply with and act in accordance with any and all applicable federal, provincial and local laws, rules, and regulations, and other legal obligations of all governmental authorities; (iv) no non-emergency repairs or maintenance in the Stores will be conducted without the Merchant's prior written consent; (v) it will not take any disciplinary action against any employee of the Merchant; and (vi) it is not a non-resident of Canada pursuant to the *Income Tax Act* (Canada) and shall provide the Merchant with its relevant sales tax number(s) prior to the Sale.

(c) Confirmations of the Parties

- (i) Except as may be provided otherwise in the Liquidation Sale Approval Order or any order of the Court, the Consultant shall assist and provide recommendations to the Merchant with respect to the legal requirements of effecting the Sale as a "store closing", "everything must go", "everything on sale" or other mutually agreed upon theme in compliance, if required with applicable provincial and local "going out of business" laws and assist in obtaining all permits and governmental consents required in order to conduct the Sale under such laws.
- (ii) The Merchant shall seek Court approval of this Agreement and the Sale Guidelines pursuant to the Liquidation Sale Approval Order. The Parties expressly acknowledge and agree that the entering into of this Agreement by the Merchant is subject to the issuance of the Liquidation Sale Approval Order approving, among other things, this Agreement, the Sale Guidelines and the conduct of the Sale and that should the Liquidation Sale Approval Order not be obtained, this Agreement shall have no force or effect.
- (iii) The Consultant shall conduct the Sale in accordance with the terms of this Agreement, the Liquidation Sale Approval Order, and the Sale Guidelines. The Consultant shall ensure that during the Sale no sale price or promotional stickers or tags shall be affixed to any (A) Merchandise, or (B) Additional Consultant Goods, except as provided in Section 8 herein.
- (iv) Unless otherwise directed by the Merchant and subject to the terms of the Initial Order, the Consultant and the Merchant shall, throughout the entirety of the Sale Term, honour and accept active gift cards, gift certificates and unexpired Nordstrom Notes issued by the Merchant prior to the Sale Commencement Date at the Stores, in accordance with store operation procedures, with the full amount of such gift cards, gift certificates and Nordstrom Notes constituting Gross Proceeds hereunder.

12. Termination

The following shall constitute “**Termination Events**” hereunder:

- (a) The Merchant’s or the Consultant’s failure to perform any of their respective material obligations hereunder, which failure shall continue uncured seven (7) days after receipt of written notice thereof to the defaulting Party;
- (b) Any representation or warranty made by the Merchant or the Consultant is untrue in any material respect as of the date made or at any time and throughout the Sale Term; or
- (c) The Sale is terminated or materially interrupted or impaired for any reason, including but not limited to an order of the Court, other than as a result of an Event of Default (as defined below) by the Consultant or the Merchant.

If a Termination Event occurs, (i) the non-defaulting Party in the event of a Termination Event arising under subparagraphs (a) or (b) above (an “**Event of Default**”), or (ii) either Party in the event of a Termination Event arising under subparagraph (c) above, may, in its discretion, elect to terminate this Agreement by providing seven (7) business days’ written notice thereof to the other Party and, in the case of an Event of Default, in addition to terminating this Agreement, pursue any and all rights and remedies and damages resulting from such Event of Default. If this Agreement is terminated, the Merchant shall be obligated to pay the Consultant all amounts due and owing by the Merchant to the Consultant under this Agreement through and including the termination date of the Agreement, subject to the rights of the Merchant in the event of an Event of Default committed by the Consultant.

13. Notices

All notices, certificates, approvals, and payments provided for herein shall be sent by electronic mail or by recognized overnight delivery service as follows: (a) to the Merchant, c/o Osler, Hoskin and Harcourt LLP, 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, ON M5X 1B8, Attn: Tracy C. Sandler, Email: tsandler@osler.com and Martino Calvaruso, Email: mcavaruso@osler.com; (b) to the Consultant: (i) Hilco Merchant Retail Solutions, ULC c/o Hilco Merchant Resources, LLC, 5 Revere Drive, Suite 206, Northbrook, IL 60062, Attention: Ian S. Fredericks, Email: ifredericks@hilcoglobal.com; and (ii) co-counsel to the Consultant, Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King St. W., Toronto, ON M5H 3C2, Attn: Jane Dietrich, Esq., Email: jdietrich@cassels.com; or (c) such other address as may be designated in writing by the Merchant or the Consultant, and in any case, with a copy to the Monitor at: Alvarez and Marsal Canada Inc., Royal Bank Plaza, South Tower, 2900 – 200 Bay Street, Toronto, ON M5J 2J1, Attn: Al Hutchens, Email: ahutchens@alvarezandmarsal.com and Nate Fennema, Email: nfennema@alvarezandmarsal.com with a copy to Goodmans LLP, Bay Adelaide Centre – West Tower, 333 Bay Street, Suite 3400, Toronto ON M5H 2S7, Attn: Brendan O’Neill, Email: boneill@goodmans.ca and Bradley Wiffen, Email: bwiffen@goodmans.ca.

14. Independent Consultant

The Consultant's relationship to the Merchant is that of an independent contractor without the capacity to bind the Merchant in any respect. No employer/employee, principal/agent, joint venture or other such relationship is created by this Agreement. The Merchant shall have no control over the hours that the Consultant or its employees or assistants or the Supervisors work or the means or manner in which the services that will be provided are performed and the Consultant is not authorized to enter into any contracts or agreements on behalf of the Merchant or to otherwise create any obligations of the Merchant to third parties, unless authorized in writing to do so by the Merchant. Nothing herein constitutes any form of landlord and tenant relationship between the Merchant and the Consultant or grants the Consultant any interest in the Stores or the underlying leases, or in the Distribution Centre.

15. Non-Assignment

Subject to Section 16 below, neither this Agreement nor any of the rights hereunder may be transferred or assigned by either Party without the prior written consent of the other Party and the Monitor. No modification, amendment or waiver of any of the provisions contained in this Agreement, or any future representation, promise or condition in connection with the subject matter of this Agreement, shall be binding upon any Party to this Agreement unless made in writing and signed by a duly authorized representative or agent of such Party. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

16. Syndication of Transaction

The Consultant shall have the right, but not the obligation, to syndicate the transaction contemplated by this Agreement by providing Nordstrom Canada with written notice of such syndication within twenty four (24) hours of the execution of this Agreement and if syndicated, this Agreement shall be deemed amended and restated to expressly name such parties as parties hereto and such parties shall thereafter be deemed to be included in references to "Consultant" hereunder for all purposes.

17. Joint and Several Liability

Each of the entities that comprises the Consultant hereunder hereby irrevocably and unconditionally agree that it is jointly and severally liable for all of the liabilities, obligations, covenants and agreements of the Consultant hereunder, whether now or hereafter existing or due or to become due. The obligations of each of the entities that comprise the Consultant hereunder may be enforced by the Merchant against any such entity comprising the Consultant or all of the entities that comprise the Consultant in any manner or order as determined by the Merchant in its sole discretion.

18. Severability

If any term or provision of this Agreement, as applied to either Party or any circumstance, for any reason shall be declared by a court of competent jurisdiction to be invalid, illegal, unenforceable, inoperative or otherwise ineffective, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and

effect and enforceable. If the surviving portions of the Agreement fail to retain the essential understanding of the Parties, the Agreement may be terminated by mutual consent of the Parties.

19. Governing Law, Venue, Jurisdiction and Jury Waiver

This Agreement, and its validity, construction and effect, shall be governed by and enforced in accordance with the laws of the Province of Ontario (without reference to the conflicts of laws provisions therein) and the laws of Canada applicable therein. The Merchant and the Consultant waive their respective rights to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either the Consultant against the Merchant or the Merchant against the Consultant on any matter whatsoever arising out of, or in any way connected with, this Agreement, the relationship between the Merchant and the Consultant, any claim of injury or damage or the enforcement of any remedy under any law, statute or regulation, emergency or otherwise, now or hereafter in effect (an “**Agreement Related Dispute**”). The Parties hereby attorn to the exclusive jurisdiction of the Court to determine any Agreement Related Dispute.

20. Entire Agreement

Other than with respect to the Confidentiality, Non-Disclosure and Non-Use Agreements entered into between Nordstrom Canada and each entity that comprises the Consultant (which remain in full force and effect), this Agreement, together with all additional schedules and exhibits attached hereto, constitutes a single, integrated written contract expressing the entire agreement of the Parties concerning the subject matter hereof. No covenants, agreements, representations or warranties of any kind whatsoever have been made by any Party except as specifically set forth in this Agreement. All prior agreements, discussions and negotiations are entirely superseded by this Agreement.

21. Execution

This Agreement may be executed simultaneously in counterparts (including by means of electronic mail or portable document format (pdf) signature pages), any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument. This Agreement, and any amendments hereto, to the extent signed and delivered by means of electronic mail or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original thereof and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

22. Canadian Dollars

The Expense Budget expresses amounts in Canadian dollars. All references to monetary amounts in this Agreement are in Canadian dollars.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first written above.

NORDSTROM CANADA RETAIL, INC.

By: Misti Heckel
Name: Misti Heckel
Title: President

NORDSTROM CANADA LEASING LP,
an Alberta limited partnership

By: Nordstrom Canada Holdings, LLC, its
General Partner

By: Misti Heckel
Name: Misti Heckel
Title: President and Treasurer

**HILCO MERCHANT RETAIL
SOLUTIONS ULC**

By: _____
Name:
Title:

GORDON BROTHERS CANADA, ULC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first written above.

NORDSTROM CANADA RETAIL, INC.

By: _____
Name:
Title:

NORDSTROM CANADA LEASING LP,
an Alberta limited partnership

By: Nordstrom Canada Holdings, LLC, its
General Partner

By: _____
Name:
Title:

**HILCO MERCHANT RETAIL
SOLUTIONS ULC**

By:  _____
Name: Sarah Baker
Title: Assistant Secretary

GORDON BROTHERS CANADA, ULC

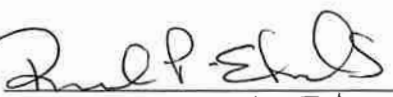
By:  _____
Name: Richard Edwards
Title: President - Retail

Exhibit “1A”**List of Stores**

<i>Full-Line Stores</i>					
Store No.	Location	Street Address	City	Province	Postal Code
830	Chinook Centre	6455 Macleod Trail SW #2150	Calgary	AB	T2H OK8
831	Rideau Centre	50 Rideau Street #500	Ottawa	ON	K1N 9J7
832	Pacific Centre	799 Robson Street POB 10435 LCD	Vancouver	BC	V7Y 0A2
833	Sherway Gardens	25 The West Mall	Etobicoke	ON	M9C 1B8
834	Yorkdale Shopping Centre	3401 Dufferin Street	Toronto	ON	M6A 2T9
835	Eaton Centre	260 Yonge Street POB 710	Toronto	ON	M5B 2L9

<i>Nordstrom Rack Stores</i>					
Store No.	Location	Street Address	City	Province	Postal Code
840	Willowbrook	19705 Fraser Hwy #610	Langley	BC	V3A 7E9
841	Vaughan Mills	1 Bass Pro Mills Drive #E4	Vaughan	ON	L4K 5W4
842	South Edmonton Common	1910 102nd Street NW	Edmonton	AB	T6N 1N3
843	Heartland Town Centre	788 Boyer Boulevard	Mississauga	ON	L5V 2Y1
844	One Bloor	731 Yonge Street	Toronto	ON	M4Y 0E3
845	Ottawa Train Yards	595 Industrial Avenue	Ottawa	ON	K1G 5A5
846	Deerfoot Meadows	1180-33 Heritage Meadows Way SE	Calgary	AB	T2H 3B8

Exhibit “1B”

List of Distribution Centre

Location	Street Address	City	Province	Postal Code
DC 868 - National Logistics Services	110A Iron Street	Etobicoke	ON	M9W 5L9

Exhibit “B”

Sale Guidelines

SALE GUIDELINES

Capitalized terms used but not defined in these Sale Guidelines shall have the meanings ascribed to them in the Consulting Agreement (as defined below) or the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 2, 2023 (as amended and restated from time to time, the “**Initial Order**”) made in the proceedings involving, *inter alia*, Nordstrom Canada Retail, Inc. and Nordstrom Canada Leasing LP (collectively, the “**Merchant**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).

The following procedures shall apply to the sale (the “**Sale**”) of merchandise, inventory, furniture, fixtures and equipment at the Merchant’s retail stores (individually, a “**Store**” and, collectively, the “**Stores**”).

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Court dated March 20, 2023, approving, *inter alia*, the Consulting Agreement between the Merchant and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC and Gordon Brothers Canada, ULC (collectively, the “**Consultant**”) dated as of March 14, 2023 (as amended and restated from time to time, the “**Consulting Agreement**”) and the transactions contemplated thereunder (the “**Liquidation Sale Approval Order**”); (ii) any further Order of the Court; and/or (iii) any subsequent written agreement between the Merchant and its Landlord(s) and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the applicable Leases. However, nothing contained herein shall be construed to create or impose upon the Merchant or the Consultant any additional restrictions not contained in the applicable Lease.
2. The Sale shall be conducted so that each Store remains open during its normal hours of operation provided for in its respective Lease, until the respective Sale Termination Date of each Store. The Sale at the Stores shall end by no later than June 30, 2023 (such date, or such other date as determined in accordance with the Consulting Agreement and the Liquidation Sale Approval Order). Rent payable under the Leases shall be paid as provided in the Initial Order.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise set out herein or ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as a “everything on sale”, “everything must go”, “store closing” and/or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a “bankruptcy”, a “liquidation” or a “going out of business” sale). Forthwith upon request from a Landlord, the Landlord’s counsel, the Merchant or the Monitor, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or these Sale Guidelines and where the provisions of the Lease conflict with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow signs or any handwritten signage (save that handwritten “you pay” or “topper” signs may be used). If a Landlord is concerned with “Store Closing” signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Merchant,

the Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store locations without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common areas of a mall shall be used unless explicitly permitted by the applicable Lease. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone, strip mall or enclosed mall Store locations with a separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used; and (ii) where such banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Service List. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant.

5. The Consultant shall be permitted to utilize sign-walkers and street signage; provided, however, such sign-walkers and street signage shall not be located on the shopping centre or mall premises.
6. The Consultant shall be entitled to include additional merchandise of the Merchant in the Sale, including (i) additional merchandise that is currently in the possession or control of the Merchant (including in any distribution centre used by the Merchant) or has previously been ordered by or on behalf of the Merchant and is currently in transit to the Merchant (including any distribution centre used by the Merchant) or a Store; and (ii) the additional merchandise is of like kind and category and no lesser quality to the Merchandise.
7. In addition, the Consultant shall be entitled, as agent of the Merchant, pursuant to and in accordance with the Consulting Agreement, to include in the Sale at the Full Line Stores the Additional Consultant Goods to the extent permitted under the terms of the Consulting Agreement, which terms include that (i) the Additional Consultant Goods sold as part of the Sale will not exceed \$10 million at cost in the aggregate; and (ii) the Additional Consultant Goods are of like kind and category and no lesser quality to the Merchandise, and consistent with any restriction on usage of the Full Line Stores set out in the applicable Leases.
8. Conspicuous signs shall be posted in the cash register areas of each of the Stores to the effect that all sales are “final” and customers with any questions or complaints are to call the Merchant’s customer care number, and such signs shall be in addition to any other caution signage of the Merchant in the cash register areas.
9. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on Landlord’s property, unless explicitly permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as explicitly permitted under the applicable Lease or agreed to by the Landlord, and no advertising trucks shall be used on Landlord property or mall ring roads, except as explicitly permitted under the applicable Lease or agreed to by the Landlord.

10. At the conclusion of the Sale and the FF&E Removal Period in each Store, the Consultant shall arrange that the premises for each Store are in “broom-swept” and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than the FF&E (as defined below)) may be removed without the applicable Landlord’s written consent unless otherwise provided by the applicable Lease and in accordance with the Initial Order and the Liquidation Sale Approval Order. Any trade fixtures or personal property left in a Store after the applicable FF&E Removal Deadline in respect of which the applicable Lease has been disclaimed by the Merchant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord. Nothing in this paragraph shall derogate from or expand upon the Consultant’s obligations under the Consulting Agreement. Notwithstanding the foregoing, the Merchant shall only exercise its rights to abandon Remaining FF&E pursuant to Section 6(f) of the Consulting Agreement if: (i) the applicable Landlord has consented thereto; (ii) such abandonment is not prohibited under the applicable Lease; or (iii) upon further Order of the Court.
11. Subject to the terms of paragraph 10 above, the Consultant may also sell furniture, fixtures and equipment located in the Stores during the Sale and the FF&E Removal Period that are (i) fully owned by the Merchant; (ii) owned jointly by the Merchant and one or more third-party vendors of the Merchant, as directed by the Merchant with the consent of the Monitor and agreed to by such third parties; or (iii) fully owned by a third party if agreed to by such third party and the Merchant with the consent of the Monitor (collectively, the “**FF&E**”). For greater certainty, FF&E does not include any portion of a Stores’ mechanical, electrical, plumbing, security, HVAC, sprinkler, fire suppression, or fire alarm systems (including related fixtures and affixed equipment). The Merchant and the Consultant may advertise the sale of the FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the Landlord. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove the FF&E either through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if the FF&E can fit in a shopping bag, with Landlord’s supervision if required by the Landlord and in accordance with the Initial Order and the Liquidation Sale Approval Order. The Consultant shall repair any damage to the Stores resulting from the removal of any FF&E or personal property of the Merchant by the Consultant or by third party purchasers of FF&E or personal property from the Consultant.
12. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
13. The Merchant hereby provides notice, including for purposes of the Initial Order, to the Landlords of the Merchant’s and the Consultant’s intention to sell and remove FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord represented by counsel on the Service List and with any other Landlord that so requests, a walk-through with the Consultant to identify any FF&E that is subject to the Sale. The relevant Landlord shall be entitled to have a representative present in the applicable Stores

to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Merchant, the Consultant and such Landlord, or by further Order of the Court upon application by the Merchant on at least two (2) business days' notice to such Landlord and the Monitor. If the Merchant has disclaimed the Lease governing such Store in accordance with the CCAA and the Initial Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the CCAA and the Initial Order), and the disclaimer of the Lease shall be without prejudice to the Merchant's or the Consultant's claim to the FF&E in dispute.

14. If a notice of disclaimer of Lease is delivered pursuant to the CCAA and the Initial Order to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then:
(i) during the notice period prior to the effective date of the disclaimer, the Landlord may show the affected Store to prospective tenants during normal business hours, on giving the Merchant, the Monitor and the Consultant at least twenty-four (24) hours' prior written notice; and
(ii) at the effective date of the disclaimer, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against the Merchant or any of its affiliates in respect of such Lease or Store; provided that, nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
15. The Consultant and its agents and representatives shall have the same access rights to the Stores as the Merchant under the terms of the applicable Lease, and the Landlords shall have access rights to the Stores as provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings and the terms of the Initial Order and the Liquidation Sale Approval Order).
16. The Merchant and the Consultant shall not conduct any auctions of Merchandise or FF&E at any of the Stores.
17. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for the Consultant shall be Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King St. W., Toronto, ON M5H 3C2 Canada, Attn: Jane Dietrich, Esq., Email: jdietrich@cassels.com. If the parties are unable to resolve the dispute between themselves, the Landlord or the Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties and the Monitor, during which time the Consultant shall suspend all activity in dispute other than activities expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of any dispute.
18. Nothing herein or in the Consulting Agreement is, or shall be deemed to be, a sale, assignment or transfer of any Lease to the Consultant nor a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights in relation to the sale, assignment or transfer of any Lease than already exist under the terms of any such Lease.

19. These Sale Guidelines may be amended on a Store-by-Store basis, by written agreement between the Merchant, the Consultant, and the applicable Landlord, with the consent of the Monitor; provided however, that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving such amended Sale Guidelines.

Exhibit “C”

Expense Budget

Nordstrom Canada.2023.01
Exhibit C

Expense Budget (1)

Advertising

Media	100,000
Signs (2)	273,128
Sign Walkers	230,864
Subtotal Advertising	<u>603,992</u>

Supervision

Fees / Wages / Expenses (3)	1,178,107
Subtotal Supervision	<u>1,178,107</u>

Miscellaneous /Legal (4)	100,000
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Total Expenses	<u><u>1,882,099</u></u>
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Notes:

1. This Expense Budget contemplates a sale term of March, 20, 2023 through June 18, 2023. The Expense Budget remains subject to modification in the event that this term is extended, or as otherwise agreed to by the parties.
2. Includes Sales Tax.
3. Includes Deferred Compensation and Insurance.
4. Any legal expenses associated with issues raised by or disputes with landlords, including (without limitation) negotiations in respect of landlord side letters, shall be in addition to and not part of the budgeted legal expenses.

This is Exhibit "B" referred to in the Affidavit of Misti
Heckel sworn March 14, 2023.

A handwritten signature in blue ink, appearing to read "H Davis", is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

Toronto

March 10, 2023

Montréal

Tracy C. Sandler
Direct Dial: 416.862.5890
tsandler@osler.com
Our Matter Number: 1238156

Calgary

Via Email

Ottawa

Dear Sir/Madam:

Vancouver

RE: URGENT – CCAA Proceedings of Nordstrom Canada

New York

Further to our discussions with you, we are writing in our capacity as counsel to Nordstrom Canada to provide you with additional information regarding our preparations for the liquidation sale to take place with the assistance of a third-party liquidator.

The following provides further details on the treatment of: (i) merchandise; and (ii) furniture, fixtures and equipment (“**FF&E**”), in each case, that is 100% owned by you at the Pacific Centre location (the “**Store**”).

“Walk-throughs” at the Store

On March 13 and March 14, 2023 representatives from Nordstrom Canada, the Monitor, the liquidator and Store landlords will be conducting walk-throughs to review and confirm ownership of concession merchandise and FF&E to produce a ‘Concession Merch and FF&E List’.

Attached to our e-mail with this letter is an editable schedule. Please provide Milan Singh-Cheema of our offices with your three (3) preferred times on March 13 and 14, 2023 to attend a walk-through for the identification of your fully owned merchandise & FF&E.

Milan Singh-Cheema can be reached at msinghcheema@osler.com with your completed time selection. In order to ensure the walk-throughs are being conducted in an organized and controlled manner, the number of your attending representatives should be limited to two (2) individuals.

Removal of Owned Merchandise and Non-fixed FF&E

Confirmed, concession owned merchandise and FF&E that is non-fixed and carriable by hand (“**Non-fixed FF&E**”) may be removed from the Store at specified times during the period of March 17 to March 19, 2023 at the relevant Store.

Kindly also provide to Milan Singh-Cheema at msinghcheema@osler.com three (3) preferred times between March 17 to March 19, 2023 by completing the second appointment schedule. A sufficient number of your representatives should attend the Store



for you to complete the removal in the timeframe and in accordance with the guidelines set forth in Schedule "A" hereto.

Removal of Fixed FF&E

Concession owned FF&E that cannot be carried and/or is affixed shall not be removed between March 17 to March 19, 2023 but will remain in Stores through to the conclusion of the Liquidation Sale and will be addressed at a later date.

Next Steps

Please complete the schedules with your preferred timeslots for the walk-throughs and removal by **no later than Sunday, March 12, 2023 at 12:00 noon (EST)**. Once we have reviewed the preferred times from all concession parties, Milan Singh-Cheema will advise you of your confirmed appointment times for when your representative(s) may attend at the Store.

Regards,

A handwritten signature in black ink that reads "Tracy Sandler".

Tracy C. Sandler
Partner

cc: Milan Singh-Cheema, *Osler, Hoskin & Harcourt LLP*
Misti Heckel, *Vice President, Tax*
Rachel Eichen, *Director of Business Management*
Nate Fennema, *Alvarez & Marsal Canada Inc.*
Brendan O'Neil, *Goodmans LLP*
Bradley Wiffen, *Goodmans LLP*

Toronto

Montréal

Calgary

Ottawa

Vancouver

New York

SCHEDULE “A”

Guidelines for Removal of Concession Owned Merchandise and Non-fixed FF&E:

- List of Merchandise and Non-fixed FF&E to be removed will be agreed to in advance at Store walk-throughs on March 13 and March 14, 2023. Any items subject to dispute shall be noted as disputed and shall not be removed at such time pending later resolution of such dispute.
- All removal must be completed on the date and time Osler assigns to a Brand for pick-up.
- Brand must supply their own labour and boxes, tape etc. to pack up and remove merchandise and Non-fixed FF&E. Trolleys and carts will be made available by Nordstrom Canada.
- Brands must use the loading docks to remove merchandise from the Store. See Exhibit 1 for instructions on parking/location of loading docks.
- Monitor, Monitor’s counsel, Osler, the liquidator and Nordstrom Canada employees (including security), will supervise the removal of merchandise and Non-fixed FF&E.
- Brand representatives must ‘check-out’ with Osler and A&M to confirm pick up of merchandise and Non-fixed FF&E in accordance with the agreed ‘Concessions Merch & FFE List’ maintained by the Monitor and shall provide signature for pick-up before any such items can be removed from Store.
- Check out will take place at the dock prior to loading goods onto trucks.
- For any Fixed FF&E or logos that are not permitted for removal, Brands must use this assigned time to ‘secure’ the remaining Fixed FF&E and hard-shop space to ensure the Fixed FF&E is not damaged until pick-up after the Liquidation Sale. Brands are responsible for providing their own drapery, ropes etc. to secure the area. Nordstrom Canada will have available thick paper for coverings.
- Liquidators will not store product in hard shops that are not empty/have FF&E remaining in them.

This is Exhibit "C" referred to in the Affidavit of Misti
Heckel sworn March 14, 2023.

A handwritten signature in blue ink, appearing to read "H Davis", is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

The following terms and conditions are a part of each purchase order submitted by Nordstrom, Inc. or one of its affiliates, and are binding upon Seller (defined as the entity identified as the seller in the corresponding purchase order). For merchandise shipped to Canada, the Purchaser is Nordstrom Canada Retail, Inc. or Nordstrom Canada Leasing, LP.

ACCEPTANCE BY SELLER IS LIMITED TO THE TERMS OF THE PURCHASE ORDER AND THESE TERMS AND CONDITIONS. PURCHASER OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS IN SELLER'S ACCEPTANCE OR ANY OTHER DOCUMENT OR FORM TRANSMITTED ON BEHALF OF SELLER, UNLESS PURCHASER'S WRITTEN CONSENT IS FIRST OBTAINED. PURCHASER'S OBJECTION TO DIFFERENT OR ADDITIONAL TERMS SHALL NOT BE WAIVED BY ACCEPTANCE OF ANY MERCHANDISE OR BY PAYMENT OF ANY INVOICE.

1. Acceptance of a purchase order, or shipment of merchandise or performance of work in connection therewith, constitutes Seller's agreement to: (a) the purchase order, (b) these terms and conditions, (c) all relevant materials, policies, guidelines, and instructions on NordstromSupplier.com (for merchandise shipped to the United States) and NordstromSupplierCanada.com (for merchandise shipped to Canada), (d) the Nordstrom Partner Code of Conduct available at nordstrom.com/browse/nordstrom-cares/strategy-governance-reporting/partnership-guidelines, and (e) if the merchandise is for the Nordstrom Product Group ("NPG"), the NPG Supplier Procedures Manual (collectively, the "Vendor Purchasing Guide").

The provisions of these terms and conditions or the applicable Vendor Purchasing Guide may be modified by Purchaser at any time. Such modifications will be posted on the Purchaser's website or otherwise provided to Seller and shall be binding upon the parties from the date of such posting or provision to Seller, whichever date comes first.

2. Purchaser may utilize purchase orders in writing, by facsimile or by electronic transmission, including the electronic data interchange system ("EDI") in accordance with published industry guidelines and the requirements of the applicable Vendor Purchasing Guide. Verbal orders are not valid unless subsequently confirmed with a written or electronic purchase order. Purchaser will not assume liability for any merchandise shipped to it or upon which work is commenced by Seller prior to receipt by Seller of a duly authorized purchase order. Each party shall be responsible for its own costs related to EDI systems and transmissions and shall maintain security procedures sufficient to ensure that EDI transactions are authorized and protected against improper access.

3. In the event Seller is unable to deliver any part or all of the merchandise, Seller agrees to notify the Purchaser immediately. Such notice will not limit the remedies available to Purchaser or the liability of Seller for nonperformance.

4. Purchaser or Purchaser's agent may refuse delivery or return the merchandise F.C.A. Purchaser's dock for:

- A. Shipments (i) made before the earliest ship date or "Not Before Date," or after the cancel date or "Not After Date," specified in the purchase order, or (ii) shipped prior to or after the "Delivery Date" specified in the purchase order, time being of the essence of each purchase order;
- B. Shipments of less than or in excess of quantities ordered;
- C. Merchandise which is not according to sample or which is not specified in the purchase order;
- D. Merchandise which Purchaser has reason to believe is not as represented or as warranted, including as set forth in Section 9;
- E. Shipments which Purchaser has reason to believe are not in compliance with the provisions of the applicable Vendor Purchasing Guide, including without limitation all quality standards, labeling requirements, transportation terms and conditions, packing instructions, invoicing instructions, US or Canada customs requirements, and child or forced labor requirements;
- F. Merchandise which for any reason, except payment of applicable duties and tariffs, will not be cleared for entry, or has been detained or seized, by the applicable customs authority for any reason, including reasons related to child or forced labor; and
- G. Merchandise which has quality or safety defects and/or is recalled for any reason.

Any merchandise sent to Purchaser in excess of the quantities ordered will be subject to and governed by these terms and conditions. Purchaser will take commercially reasonable efforts to return the excess merchandise to Seller. If return of the excess merchandise is refused by Seller or the

merchandise is otherwise returned to Purchaser: (1) Purchaser will own such excess merchandise; (2) Purchaser will not owe any purchase price or other amounts for such excess merchandise; and (3) Purchaser may dispose of such excess merchandise in any manner in its sole discretion.

5. All merchandise furnished under any purchase order shall be subject to inspection and testing by representatives of Purchaser, its customers or agents, and may be rejected and returned to Seller at Seller's cost when found to be defective, or otherwise subject to return as set forth above, at any time prior to resale, or at any time after resale if Purchaser's customer is allowed a refund or credit. Seller shall keep documentation confirming that merchandise complies with all terms of this purchase order and shall provide such documentation to Purchaser at Purchaser's request. If a shipment, or any portion of a shipment, is determined by sampling procedures to include merchandise that is defective or otherwise subject to return as set forth above, the entire shipment or portion may be rejected and returned to Seller at Seller's cost. At the option of the Purchaser in its sole discretion, any rejected or returned merchandise or shipment shall be subject to refund, repair by Purchaser or Seller, or replacement by Seller, at Seller's cost. Payments for merchandise prior to inspection shall not constitute acceptance and Purchaser reserves the right to hold for Seller or return to Seller, at Seller's expense, any rejected merchandise.

6. Seller warrants and certifies that the merchandise shipped under any purchase order is fit and safe for the use for which it was manufactured and that said merchandise or the resale thereof by Purchaser does not and will not violate any federal, state/provincial or local laws, regulations, orders or ordinances of the country of origin and the country of destination. Seller will take affirmative actions to proactively ensure that its supply chain is in compliance with all applicable laws and regulations and the provisions of the applicable Vendor Purchasing Guide.

7. Seller warrants and certifies that it does not and will not in violation of applicable law, custom or practice (a) discriminate in hiring on the basis of race, color, national origin, gender, age, religion or sexual orientation or any other basis protected by law, (b) utilize, through its own operation or its supply chain, use in the operation of its business any involuntary labor of any kind including child labor, prison labor, state-sponsored forced labor, indentured or bonded labor, labor obtained through human trafficking, coercion or slavery, labor defined as forced labor under any United States law, or labor defined as forced by the ILO forced labor indicators and accompanying guidance, (c) fail to comply with applicable wage and hour laws, including those related to minimum wage, overtime, legally mandated benefits or the accurate recording of hours worked, or (d) participate in any payment or authorization practices in violation of any applicable anti-corruption, anti-bribery or anti-money laundering laws or regulations, including but not limited to the Federal Foreign Corrupt Practices Act (United States) or the Foreign Public Officials Act (Canada).

8. Seller warrants and certifies that neither Seller nor any party working on Seller's behalf is a Sanctioned Person or engages in any dealings, directly or indirectly, with a Sanctioned Person or Sanctioned Territory in connection with this purchase order, and no Sanctioned Person has any interest of any nature whatsoever in Seller or any party working Seller's behalf. "Sanctioned Territory" means a territory subject to comprehensive sanctions of the US government (e.g., the Crimea region, Cuba, Iran, North Korea, Russia and Syria as of March 2022, subject to change). "Sanctioned Person" means a person, entity or government (i) identified on the Specially Designated Nationals and Blocked Persons List maintained by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) or who is 50% or more owned by such persons, and/or any similar list maintained pursuant to any statute, Executive Order or regulation and/or (ii) subject to trade restrictions under United States law, including, without limitation, the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., the Countering America's Adversaries with Sanctions Act, 22 U.S.C. 9401 et seq., The Tariff Act of 1930, 19 U.S.C. § 1202 et seq., and any Executive Orders or regulations promulgated under any relevant laws.

9. Seller warrants and certifies that the merchandise shipped under any purchase order, including packaging and labeling:

- A. was produced and processed in strict compliance with all applicable federal, state/provincial or local laws, regulations, orders, testing requirements, and ordinances of the country of origin and the country of destination, including but not limited to environmental or hazardous substance, labor, trade sanctions, export, import/customs, and wage and hour (including minimum wage and overtime) laws and regulations;
- B. does not and will not, and will be produced in a manner that does not and will not, infringe or violate any intellectual property or other proprietary rights, including without limitation: any patent, trademark, service mark, trade dress, trade name, copyright, trade secret, right of privacy, license, publicity or moral right, or utilize any manufacturing or administrative process that would infringe or violate any such right, and Seller has not received any notification of and has no knowledge of any basis upon which a third party could claim or contest the intellectual property in Seller's merchandise;

- C. is accurately labeled and clearly identifies the country of origin;
- D. is labeled in accordance with and complies in all respects with any and all applicable laws, regulations, orders and ordinances, including without limitation:
 - (i) For merchandise shipped to the United States: any applicable rules of the Federal Trade Commission, the Consumer Products Safety Commission and the Department of Health, Education and Welfare, including care labeling requirements, and the requirements of each of the following Acts to which it may be subject: The Federal Food, Drug and Cosmetic Act, the Wool Products Labeling Act of 1939, the Fair Packaging and Labeling Act, the Fur Products Labeling Act, the Textile Fiber Products Identification Act, the Federal Hazardous Substances Act and the Flammable Fabrics Act, the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).
 - (ii) For merchandise shipped to Canada: any applicable rules of the Competition Bureau, Health Canada and the Canadian Food Inspection Agency, including but not limited to care labeling requirements, and the requirements of each of the following Acts to which it may be subject: the Food and Drugs Act, the Consumer Packaging and Labelling Act, the Canada Consumer Product Safety Act, and the Safe Food for Canadians Act.
- E. is processed, packed and shipped in accordance with:
 - (i) all applicable supply-chain security requirements that the merchandise's country of destination may adopt such as the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) or the Canadian Partners in Protection (PIP) Program; and
 - (ii) all applicable federal, state/provincial and local hazardous material transportation laws and regulations of the country of destination.

As between Purchaser and Seller, Seller is solely responsible for ensuring merchandise is properly labeled as required by law. If Seller's merchandise requires a specific label or warning, Seller must deliver such merchandise to Purchaser with the necessary label or warning affixed to the product or consumer packaging. Purchaser is not responsible for labeling merchandise or displaying in-store signage on behalf of Seller. Purchaser may provide an option to display certain label or warning information in connection with the sale of Seller's product (such as displaying a Proposition 65 warning on Nordstrom.com), provided (a) Seller must provide Purchaser with the information requested and in the manner specified by Purchaser in the Vendor Purchasing Guide, (b) Seller acknowledges that Purchaser will only display such information or warnings in the way Purchaser is set up to display the information/warning (which may vary from the preferred method or language of Seller), and (c) Seller will not rely on Purchaser to satisfy Seller's compliance obligations, and nothing in the foregoing will be deemed to shift liability for compliance obligations from Seller to Purchaser. Seller acknowledges that merchandise delivered to Purchaser may be sold in California and may be subject to California's Proposition 65 requirements.

10. Seller hereby grants to Purchaser and its affiliates a worldwide, non-exclusive, non-transferable, non-sublicensable, and royalty-free right and license to publish, use, reproduce, distribute, transmit, display, modify, edit and create derivative works based on Seller's name, trademarks, trade names, brand names, trade dress, copyrights, and other proprietary rights (including all product images, product descriptions, and all other information, materials, and content) (collectively, "Supplier Content") in connection with marketing across any and all channels and forms of media. Except for the license granted herein, Seller reserves all right, title, and interest in and to the Supplier Content. Any goodwill accruing from Purchaser's use of Seller's trademarks will inure solely to the benefit of Seller. Seller represents and warrants that it has all rights necessary to grant the licenses in this Section.

11. Seller agrees to defend (with counsel acceptable to Purchaser), indemnify and hold harmless the Purchaser from any and all claims, suits, fines, penalties, liabilities, damages, losses or expenses, including attorneys' fees and costs, asserted against or incurred by Purchaser by reason of, or arising out of or occurring in connection with: (a) any breach or alleged breach of any of these terms and conditions, the provisions of any purchase order, or the applicable Vendor Purchasing Guide, or any representations or warranties of Seller made herein or in any purchase order or otherwise, (b) any claim that the Supplier Content infringes, misappropriates, or violates a third party's trademark, copyright, or other intellectual property rights, (c) any act or omission of Seller in the furnishing of goods or in the performance of work under any purchase order, including, but not limited to worker's compensation or worker wages, discrimination or other employee related matters, (d) the possession or use of Seller's merchandise by customers of Purchaser or others, (e) the transportation or shipping of any merchandise covered under the purchase order authorized by or in Seller's control; and (f) any warranties related to, quality standards, manufacture of or defects in the products covered by the purchase order. For purposes of this provision, "Seller" shall be deemed to include Seller, its representatives, agents, Purchaser-authorized subcontractors, and employees. Seller shall not, without the prior written consent of Purchaser, settle or compromise any action, suit, proceeding or claim in which Purchaser is named as a party, or consent to the entry of any judgment

in any such matter. All indemnification obligations of Seller hereunder shall survive termination or cancellation of any purchase order. Seller agrees that Purchaser may, at any time, request and/or maintain records of Seller's compliance with the representations and warranties of Seller made in any purchase order or otherwise, including test results, and that Purchaser may at any time, upon notice to Seller, undertake inspection of Seller's facilities or request test results in order to determine such compliance. Seller agrees to maintain insurance in full force and effect and will furnish Purchaser with a certificate of insurance evidencing coverage for Commercial General Liability Insurance including Products Liability, with at least one-million dollars (\$1,000,000) combined single limit per occurrence. Seller will also provide Purchaser an Additional Insured (AI) endorsement naming Nordstrom, Inc., its subsidiaries and affiliates as additional insureds. Purchaser will accept a blanket AI endorsement to fulfill this requirement. By requiring insurance herein, Purchaser does not represent that coverage and limits will be adequate to protect Seller and such coverage and limits shall not be deemed as a limitation on Seller's liability hereunder.

12. Confidential Information and Privacy:

- A. "Confidential Information" means information, in any format, that Purchaser designates as confidential or that reasonably should be understood to be confidential, proprietary or a trade secret given its nature and circumstances of disclosure. Confidential Information includes, but is not limited to, business and marketing plans, technology and technical information, product plans and designs, research and development activities, business processes, costs, pricing, recipes, formulas, profits, compensation, financial information, and Personal Information as it is defined in this Section.
- B. "Personal Information" is a subset of Confidential Information and means any data that identifies or can be used to identify, contact or locate a natural person such as name, address, telephone number or email address.
- C. Confidential Information (other than Personal Information) shall not include any information that (i) is or becomes publicly available without Seller's breach of this Agreement, (ii) was known to Seller prior to its disclosure by Purchaser pursuant to the terms of this Agreement, (iii) Purchaser has approved for release, in writing, or, (iv) which has been independently developed by Seller prior to disclosure by Purchaser to Seller, by personnel having no access to the Confidential Information at the time. In any dispute between the parties with respect to these exclusions the burden of proof shall be on Seller with a standard of clear and convincing evidence.
- D. Seller shall (i) only use Confidential Information as necessary to perform its obligations specified in these terms and conditions and to provide the merchandise to Purchaser or individuals as instructed by Purchaser (ii) not disclose Confidential Information to any third party without Purchaser's prior written consent; and (iii) take security precautions, in the same manner it takes to protect its own confidential information, but in no event less than reasonable care or the measures required by applicable privacy and security laws or industry standards, to safeguard the Confidential Information.
- E. Seller shall immediately notify Purchaser via email to privacy@nordstrom.com upon discovery of any suspected or actual unauthorized use or disclosure of the Confidential Information or any other breach of this Agreement by Seller, its representatives or affiliates. In no event shall Seller take more than twenty-four (24) hours to notify Purchaser. Seller will cooperate at its own expense in every reasonable way to help Purchaser regain possession of the Confidential Information and use best efforts to prevent its further unauthorized use or disclosure. Seller shall not contact individuals or suppliers of Purchaser regarding such breach without the prior written consent of Purchaser.
- F. Seller represents and warrants that its processing, storage, and transmission of Personal Information does and will comply with all applicable federal and state privacy and data protection laws, all other applicable regulations and directives, and these terms and conditions. Seller certifies that it understands its obligations under the California Consumer Privacy Act as a service provider to Purchaser, and agrees that it will not: sell Personal Information; retain, disclose, or use Personal Information for any purpose other than to provide the merchandise to Purchaser or individuals as instructed by Purchaser; or retain or use Personal Information outside of this direct business relationship between Seller and Purchaser. At Purchaser's request, Seller will delete from its records any Personal Information that was provided or collected by Nordstrom or on its behalf (unless Seller is permitted to retain it as necessary to comply with applicable law).

13. Seller represents and warrants that the prices and terms specified in any purchase order are no less favorable to the Purchaser than any prices or

terms upon which Seller sells or offers to sell to others goods substantially of the same kind as ordered by Purchaser. If at any time goods substantially of the same kind as ordered by Purchaser are sold or offered for sale by Seller to a third party (or to Purchaser or any affiliate of Purchaser in connection with the same sales event for Purchaser) at lower prices or on terms more favorable than those stated in the purchase order, the prices and terms in the purchase order shall be automatically revised to equal the lowest prices and most favorable terms at which Seller shall have sold or shall have offered such goods and payment shall be made accordingly, or at the option of Purchaser, the merchandise may be returned to Seller, at Seller's cost, for a full refund of the purchase price. In the event Purchaser shall become entitled to such lower prices, Seller shall notify Purchaser of such lower prices, and if Purchaser shall have made payment at any price in excess thereof, Seller shall promptly refund the difference in price to the Purchaser. Seller agrees to meet any lower price offered by any competitor of Seller for goods substantially of the same kind as ordered by Purchaser or accept cancellation of the purchase order by Purchaser. Seller's price for shipment shall include all costs and charges, including but not limited to packaging, boxing, crating and freight, associated with the applicable 2010 Incoterm specified in the applicable Vendor Purchasing Guide or the purchase order. Purchaser shall have the right to conduct a post-payment review of all payments made to Seller for determining compliance with these terms and conditions. Non-compliance will result in a chargeback or expense offset fee in accordance with the applicable Vendor Purchasing Guide or to provide Purchaser with the more favorable pricing and/or terms.

14. Purchaser reserves the right to cancel all or any part of any purchase order which has not actually been shipped by Seller in the event Purchaser's business is interrupted because of strikes, labor disturbances, lockout, riot, hostilities, war, insurrection, civil disorders, national emergencies, embargoes, fire, flood, failure of communication or power supply, pandemic or other public health emergency, natural disasters, act of God, or the public enemy, or any other cause, whether like or unlike the foregoing, if beyond the reasonable efforts of the Purchaser to control. Seller's timely performance under any purchase order shall not be excused or deemed to have been made impracticable by reason of any delay or failure to perform by Seller or any agent, subcontractor or supplier of Seller, caused by or related to any computer system incompatibility or inability to accurately process date and time data.

15. A waiver of or failure to perform any one or more of the conditions of any purchase order shall not constitute a waiver of or an excuse for nonperformance as to any other part of these terms and conditions or any purchase order.

16. Unless otherwise specified by Purchaser or required by law, payment terms shall be net forty-five (45) days. Payment terms will be calculated from the receipt of goods at destination (not at consolidator) or receipt of invoice, whichever is later. For purchase orders with "End of Month" payment terms, any shipments received after the 20th of the month will be considered next month's business. Payments will be issued in the currency listed on the purchase order on the next possible payment run following the due date after the shipment has been received and the invoice has been reconciled. If the currency listed on the purchase order is U.S. Dollars (USD) and the merchandise is destined for Canada, payments will be made electronically. Purchaser reserves the right to offset any amounts claimed by Purchaser against any amounts otherwise due Seller.

17. Purchaser shall have no liability whatsoever to Seller for any amount paid to any assignee, secured creditor, or other party claiming an interest in the Seller's accounts receivable or other right to payment from Purchaser (the "Interest Holder"), if Purchaser has made payment to the Interest Holder pursuant to a notice of assignment pursuant to UCC 9-406 or a notice to account debtor pursuant to UCC 9-607 ("Notice to Account Debtor"), regardless of whether such claimed interest or Notice to Account Debtor is later determined to be invalid. Seller further agrees to indemnify and hold harmless Purchaser for any payment made to any Interest Holder in reliance on a Notice to Account Debtor.

18. In addition to any other remedies available to Purchaser, failure to comply with these terms and conditions, the provisions of any purchase order, or the applicable Vendor Purchasing Guide, will result in offset charges and handling fees being charged to Seller. In any dispute under any purchase order or these terms and conditions, whether or not litigation is commenced, the prevailing party shall be entitled to its costs and expenses incurred, including reasonable attorneys' fees. The rights and remedies herein expressly provided shall be in addition to any other rights and remedies given by law or in equity, including without limitation, injunctive relief and the right of Purchaser to recover all incidental special and consequential and punitive damages. All warranties, representations and guaranties and indemnities made by Seller herein are in addition to any and all express or implied warranties provided by law and shall survive termination or cancellation of any purchase order.

19. Seller acknowledges and agrees that all covenants, representations and warranties of Seller hereunder, and all express and implied warranties with respect to such merchandise, are for the benefit of and extend to Nordstrom, Inc. or any of its affiliates. Seller agrees that Nordstrom, Inc. or any of its affiliates shall be entitled to exercise any rights of the Purchaser and to make any claims and return any merchandise directly to Seller pursuant to the

terms of any purchase order.

20. In the event of any proceeding, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller, or in the event of the appointment with or without Seller's consent of a receiver or an assignee for the benefit of creditors, Purchaser may, at its option, cancel any purchase order as to any undelivered portion of the merchandise.

21. Seller agrees that it will not use any trademark, service mark or trade name, patent or trade dress owned or controlled by or licensed to Purchaser or any of its affiliates, or used by Purchaser or its affiliates in connection with any products, lines, departments or other goods or services of Purchaser or its affiliates, including but not limited to "Nordstrom" or "Nordstrom Rack," except in connection with merchandise shipped to Purchaser in accordance with a valid purchase order. Seller agrees that all trademarks and trade names of Purchaser belong to or are licensed to Purchaser and Seller will make no claim of right to use or of ownership nor will Seller attempt to register any such trademark or trade name. Seller agrees that merchandise rejected or returned for any reason pursuant to the terms of any purchase order, whether or not such rejection is disputed by Seller, including but not limited to merchandise rejected or returned due to shipment after the delivery date or cancel date specified in the purchase order, will not be resold or otherwise distributed by Seller unless all labels, tags, logos, monograms and other items or characteristics identifying Nordstrom, Nordstrom Rack or any other trademark, service mark, trade dress or trade name owned or controlled by or licensed to Purchaser or its affiliates, or used by Purchaser or its affiliates in connection with any products, lines, departments or other goods or services of Purchaser or its affiliates, have first been removed. Upon request, Seller shall provide Purchaser with evidence of such removal in a form and substance acceptable to Purchaser in its sole discretion.

22. Seller agrees that all merchandise shipped under any purchase order may be advertised and sold by Purchaser (or any of Purchaser's affiliates) at any retail facilities of Purchaser (or any of Purchaser's affiliates), or by means of catalogs, the Internet, or any other electronic or other medium.

23. Except as applicable in Section 23(A) below, each purchase order and the rights and obligations of the parties hereunder shall be determined in accordance with the laws of the State of Washington and shall not be subject to or governed by the U.N. Convention on Contracts for the International Sale of Goods. If litigation arises under any purchase order or these terms and conditions, or as a consequence of any transaction contemplated or resulting from this or either party's performance or breach thereof, jurisdiction and venue of such litigation shall be exclusively in the Superior Court for the State of Washington for King County, or the United States District Court for the Western District of Washington in Seattle, at the option of Purchaser, and Seller hereby consents to such jurisdiction and venue. Any award or judgment of any of said courts may be entered and enforced in any other domestic or foreign court of competent jurisdiction and shall be awarded full faith and credit.

A. For Sellers not located in the U.S., meaning Sellers whose address as provided in relevant purchase order is not located in the U.S., each purchase order and the rights and obligations of the parties hereunder shall be determined in accordance with the laws of the State of Washington and shall not be subject to or governed by the U.N. Convention on Contracts for the International Sale of Goods. All disputes arising out of or in connection with the purchase order, and the rights and obligations of the parties, shall be finally settled by the American Arbitration Association under the International Arbitration Rules. The number of arbitrators shall be determined based on the amount in dispute. If the disputed amount is below \$250,000.00 USD, then one arbitrator shall be appointed by mutual agreement. If the disputed amount is greater than \$250,000.00 USD, then three arbitrators shall be appointed (each party shall nominate one arbitrator, and the two arbitrators nominated by the parties shall within 15 days of the appointment of the second arbitrator agree upon a third arbitrator who shall act as President). The seat or legal place of the arbitration shall be Seattle, Washington, USA. The language of the arbitration shall be English.

24. No claim, action or demand arising out of the transactions under any purchase order may be brought by Seller more than one (1) year after the cause of action has accrued.

25. Seller hereby assigns to Purchaser all assignable warranty rights with respect to the merchandise in each purchase order, including without limitation all rights of Seller under warranties of any manufacturer of any of the merchandise or any part or component thereof.

26. Each purchase order is enforceable by Purchaser directly against Seller, regardless of whether the purchase order was submitted directly to Seller by Purchaser or was submitted to Seller by another party on behalf of Purchaser. No such other party shall have any authority to act for Purchaser, bind Purchaser to any agreements or modifications or otherwise act as agent for Purchaser. Seller shall not assign or transfer any purchase order, or any

interest therein, without the prior written consent of Purchaser, and any attempted assignment made without such consent shall be null and void.

27. Invoicing Instructions:

- (a) All invoices must comply with the requirements of the applicable Vendor Purchasing Guide.
- (b) No payment will be made by Purchaser to Seller unless Seller has completed and returned all vendor setup forms required by Purchaser.

28. Transportation:

- (a) Seller shall ship all merchandise according to the purchase order unless the applicable Vendor Purchasing Guide gives permission to deviate or Purchaser provides its prior written consent.
- (b) Notwithstanding any agreement to pay freight or other transportation charges, delivery will not be deemed complete and risk of loss shall remain with Seller until the merchandise has been actually received and accepted by Purchaser or Purchaser's designated agent.
- (c) All C.O.D shipments will be refused.
- (d) For domestic shipments within the U.S. or Canada:
 - i. Authorized carrier selection should be made in accordance with the applicable Vendor Purchasing Guide. Any questions should be directed to Nordstrom Corporate Transportation.
 - ii. Merchandise shipped F.O.B. Factory or F.C.A. Origin will not be free of charge to Purchaser's consolidator and freight charges will be Purchaser's responsibility from the shipper's door.
 - iii. Merchandise shipped F.O.B. Store or D.D.P. Destination will be delivered free of charge to Purchaser's receiving facility and total freight charges will be at Seller's expense.
 - iv. In addition to any other remedies available to Purchaser, any deviation from the purchase order, these terms and conditions or the applicable Vendor Purchasing Guide will result in Seller being charged the full cost for any freight expenses, handling fees, storage fees or other expenses incurred by Purchaser or its refusal agent. At its sole discretion, Purchaser may sell any rejected or unclaimed merchandise to a salvage agent to recoup such costs or expenses.
 - v. Merchandise must be packed, shipped and described on the bill of lading in accordance with applicable freight tariffs and without declared value except when otherwise instructed in the applicable Vendor Purchasing Guide.
 - vi. For prepaid shipments, all shipments to Purchaser via air and surface must be sent "Collect," "Consignee Billing" or "Third-Party Billing" in accordance with the applicable Vendor Purchasing Guide. Purchaser will not reimburse Seller for prepaid shipments.
 - vii. Any merchandise not authorized for air shipment must be surface shipped according to the applicable Vendor Purchasing Guide. Seller is solely responsible for marking "Surface" on the applicable bill of lading. An air bill of lading which is used for surface shipment must have the "Special Services Requested" checkbox marked.
- (e) For international shipments to the U.S.:
 - i. Authorized freight forwarder selection should be made according to the applicable Vendor Purchasing Guide.
 - ii. Unless otherwise specified in the purchase order, all merchandise will be shipped to the U.S. Delivered Duty Paid (DDP).
 - iii. In addition to any other remedies available to Purchaser, any deviation from the purchase order, these terms and conditions or the applicable Vendor Purchasing Guide will result in Seller being charged the full cost for any freight expenses, handling fees, storage fees or other expenses incurred by Purchaser. If the purchase order provides for shipment via ocean and Seller ships the merchandise via air, before shipment Seller shall reduce the original cost of the merchandise by the difference in price between ocean shipment and air shipment.

(f) For international shipments to Canada:

- i. Authorized carrier or freight forwarder selection should be made according to the applicable Vendor Purchasing Guide.
- ii. Unless otherwise specified in the purchase order, all merchandise will be shipped to Canada Delivered Duty Paid (DDP).
- iii. In addition to any other remedies available to Purchaser, any deviation from the purchase order, these terms and conditions or the applicable Vendor Purchasing Guide will result in Seller being charged the full cost for any freight expenses, handling fees, storage fees or other expenses incurred by Purchaser. If the purchase order provides for shipment via ocean and Seller ships the merchandise via air, before shipment Seller shall reduce the original cost of the merchandise by the difference in price between ocean shipment and air shipment.

29. If the merchandise is for the Nordstrom Restaurant Division, including its specialty coffee bars, the following terms and conditions apply:

(a) Notwithstanding Section 2, verbal orders made by Purchaser are valid.

(b) If any merchandise is recalled, Seller's obligations shall include, but not be limited to the following:

- i. Immediately, at Seller's sole expense, notify Purchaser of such recall and arrange to have the recalled merchandise picked up from or destroyed at each of Purchaser's locations; and
- ii. Replace any recalled merchandise with new merchandise as ordered by Purchaser; and
- iii. Cooperate in all reasonable respects with Purchaser's public relations representatives, as designated from time to time, to coordinate a mutually acceptable public warning and/or news media communication.
- iv. Immediately provide all test results relating to recalled merchandise to Purchaser upon Purchaser's request.

(c) Purchaser shall have the right with forty-eight (48) hours advance written notice to inspect, during reasonable business hours, the areas of Seller's authorized production and processing facilities from which the merchandise is produced, stored or shipped. Purchaser may initiate an inspection for any reason it deems necessary, including but not limited to, merchandise quality control, cleanliness tests and/or compliance with Nordstrom Restaurant standards and specifications.

(d) Seller represents and warrants that all merchandise provided, processed or manufactured by Seller for Purchaser will be, as of the delivery date:

- i. Not adulterated, misbranded or otherwise in violation of any applicable food quality, food inspection or food processing laws or regulations, including but not limited to the Federal Food, Drug and Cosmetic Act (United States) or the Food and Drugs Act (Canada); and
- ii. Free of any chemicals known to cause cancer or reproductive toxicity as identified by the applicable government authority. If the merchandise contains any of the identified chemicals, Seller represents and warrants such merchandise fully complies with applicable food quality and chemical standards; and
- iii. Free from any salmonella or listeria organisms, toxins, foreign material or other poisonous or injurious matter; and
- iv. Free from any artificial colorings and preservatives which are not derived from a batch certified by Seller in accordance with applicable laws and regulations, including but not limited to the Federal Food, Drug and Cosmetic Act (United States) or the Food and Drugs Act (Canada); and
- v. Free from any hydrogenated or partially hydrogenated oils; and
- vi. If a fluid dairy product, the merchandise contains no Bovine Growth Hormone (BGH).

(e) An invoice must accompany each delivery of merchandise, whether delivered by Seller or by a third party on Seller's behalf.

This is Exhibit "D" referred to in the Affidavit of Misti
Heckel sworn March 14, 2023.

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

Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

The following terms and conditions are a part of each purchase order submitted by Nordstrom, Inc. or one of its affiliates, and are binding upon Seller (defined as the entity identified as the seller in the corresponding purchase order). For merchandise shipped to Canada, the Purchaser is Nordstrom Canada Retail, Inc. or Nordstrom Canada Leasing, LP.

ACCEPTANCE BY SELLER IS LIMITED TO THE TERMS OF THE PURCHASE ORDER AND THESE TERMS AND CONDITIONS. PURCHASER OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS IN SELLER'S ACCEPTANCE OR ANY OTHER DOCUMENT OR FORM TRANSMITTED ON BEHALF OF SELLER, UNLESS PURCHASER'S WRITTEN CONSENT IS FIRST OBTAINED. PURCHASER'S OBJECTION TO DIFFERENT OR ADDITIONAL TERMS SHALL NOT BE WAIVED BY ACCEPTANCE OF ANY MERCHANDISE OR BY PAYMENT OF ANY INVOICE.

1. Acceptance of a purchase order, or shipment of merchandise or performance of work in connection therewith, constitutes Seller's agreement to: (a) the purchase order, (b) these terms and conditions, (c) all relevant materials, policies, guidelines, and instructions on NordstromSupplier.com (for merchandise shipped to the United States) and NordstromSupplierCanada.com (for merchandise shipped to Canada), (d) the Nordstrom Partner Code of Conduct available at nordstrom.com/browse/nordstrom-cares/strategy-governance-reporting/partnership-guidelines, and (e) if the merchandise is for the Nordstrom Product Group ("NPG"), the NPG Supplier Procedures Manual (collectively, the "Vendor Purchasing Guide").

The provisions of these terms and conditions or the applicable Vendor Purchasing Guide may be modified by Purchaser at any time. Such modifications will be posted on the Purchaser's website or otherwise provided to Seller and shall be binding upon the parties from the date of such posting or provision to Seller, whichever date comes first.

2. Purchaser may utilize purchase orders in writing, by facsimile or by electronic transmission, including the electronic data interchange system ("EDI") in accordance with published industry guidelines and the requirements of the applicable Vendor Purchasing Guide. Verbal orders are not valid unless subsequently confirmed with a written or electronic purchase order. Purchaser will not assume liability for any merchandise shipped to it or upon which work is commenced by Seller prior to receipt by Seller of a duly authorized purchase order. Each party shall be responsible for its own costs related to EDI systems and transmissions and shall maintain security procedures sufficient to ensure that EDI transactions are authorized and protected against improper access.

3. In the event Seller is unable to deliver any part or all of the merchandise, Seller agrees to notify the Purchaser immediately. Such notice will not limit the remedies available to Purchaser or the liability of Seller for nonperformance.

4. Purchaser or Purchaser's agent may refuse delivery or return the merchandise F.C.A. Purchaser's dock for:

- A. Shipments (i) made before the earliest ship date or "Not Before Date," or after the cancel date or "Not After Date," specified in the purchase order, or (ii) shipped prior to or after the "Delivery Date" specified in the purchase order, time being of the essence of each purchase order;
- B. Shipments of less than or in excess of quantities ordered;
- C. Merchandise which is not according to sample or which is not specified in the purchase order;
- D. Merchandise which Purchaser has reason to believe is not as represented or as warranted, including as set forth in Section 9;
- E. Shipments which Purchaser has reason to believe are not in compliance with the provisions of the applicable Vendor Purchasing Guide, including without limitation all quality standards, labeling requirements, transportation terms and conditions, packing instructions, invoicing instructions, US or Canada customs requirements, and child or forced labor requirements;
- F. Merchandise which for any reason, except payment of applicable duties and tariffs, will not be cleared for entry, or has been detained, seized or excluded, by the applicable customs authority for any reason, including reasons related to child or forced labor; and
- G. Merchandise which has quality or safety defects and/or is recalled for any reason.

Any merchandise sent to Purchaser in excess of the quantities ordered will be subject to and governed by these terms and conditions. Purchaser will take commercially reasonable efforts to return the excess merchandise to Seller. If return of the excess merchandise is refused by Seller or the

merchandise is otherwise returned to Purchaser: (1) Purchaser will own such excess merchandise; (2) Purchaser will not owe any purchase price or other amounts for such excess merchandise; and (3) Purchaser may dispose of such excess merchandise in any manner in its sole discretion.

5. All merchandise furnished under any purchase order shall be subject to inspection and testing by representatives of Purchaser, its customers or agents, and may be rejected and returned to Seller at Seller's cost when found to be defective, or otherwise subject to return as set forth above, at any time prior to resale, or at any time after resale if Purchaser's customer is allowed a refund or credit. Seller shall keep documentation confirming that merchandise complies with all terms of this purchase order and shall provide such documentation to Purchaser at Purchaser's request. If a shipment, or any portion of a shipment, is determined by sampling procedures to include merchandise that is defective or otherwise subject to return as set forth above, the entire shipment or portion may be rejected and returned to Seller at Seller's cost. At the option of the Purchaser in its sole discretion, any rejected or returned merchandise or shipment shall be subject to refund, repair by Purchaser or Seller, or replacement by Seller, at Seller's cost. Payments for merchandise prior to inspection shall not constitute acceptance and Purchaser reserves the right to hold for Seller or return to Seller, at Seller's expense, any rejected merchandise.

6. Seller warrants and certifies that the merchandise shipped under any purchase order is fit and safe for the use for which it was manufactured and that said merchandise or the resale thereof by Purchaser does not and will not violate any federal, state/provincial or local laws, regulations, orders or ordinances of the country of origin and the country of destination. Seller will take affirmative actions to proactively ensure that its supply chain is in compliance with all applicable laws and regulations and the provisions of the applicable Vendor Purchasing Guide.

7. Seller warrants and certifies that it does not and will not in violation of applicable law, custom or practice (a) discriminate in hiring on the basis of race, color, national origin, gender, age, religion or sexual orientation or any other basis protected by law, (b) utilize, through its own operation or its supply chain, use in the operation of its business any involuntary labor of any kind including child labor, prison labor, state-sponsored forced labor, indentured or bonded labor, labor obtained through human trafficking, coercion or slavery, labor defined as forced labor under any United States law, or labor defined as forced by the ILO forced labor indicators and accompanying guidance, (c) fail to comply with the Fair Labor Standards Act (United States), if applicable, including posting in the workplace all required posters explaining workers' rights under applicable wage and hour laws; (d) fail to comply with any applicable wage and hour laws, including those related to minimum wage, overtime, legally mandated benefits, the accurate recording of hours worked, or the use of industrial homework, or (e) participate in any payment or authorization practices in violation of any applicable anti-corruption, anti-bribery or anti-money laundering laws or regulations, including but not limited to the Federal Foreign Corrupt Practices Act (United States) or the Foreign Public Officials Act (Canada).

8. Seller warrants and certifies that neither Seller nor any party working on Seller's behalf is a Sanctioned Person or engages in any dealings, directly or indirectly, with a Sanctioned Person or Sanctioned Territory in connection with this purchase order, and no Sanctioned Person has any interest of any nature whatsoever in Seller or any party working Seller's behalf. "Sanctioned Territory" means a country, territory, or a region within a specific country subject to comprehensive sanctions or other trade restrictions of the US government (e.g., the Crimea region, Cuba, Iran, North Korea, Russia and Syria as of March 2022, subject to change). "Sanctioned Person" means a person, entity or government (i) identified on the Specially Designated Nationals and Blocked Persons List maintained by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) or who is 50% or more owned by such persons, and/or any similar list maintained pursuant to any statute, Executive Order or regulation by any relevant US federal agency such as the US Department of Homeland Security, the US Department of Commerce, or the US Department of State, and/or (ii) subject to trade restrictions under United States law, including, without limitation, the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., the Countering America's Adversaries with Sanctions Act, 22 U.S.C. 9401 et seq., The Tariff Act of 1930, 19 U.S.C. § 1202 et seq., and any Executive Orders or regulations promulgated under any relevant laws.

9. Seller warrants and certifies that the merchandise shipped under any purchase order, including packaging and labeling:

- A. was produced and processed in strict compliance with all applicable federal, state/provincial or local laws, regulations, orders, testing requirements, and ordinances of the country of origin and the country of destination, including but not limited to environmental or hazardous substance, labor, trade sanctions, export, import/customs, and wage and hour (including minimum wage and overtime) laws and regulations;
- B. does not and will not, and will be produced in a manner that does not and will not, infringe or violate any intellectual property or other proprietary

rights, including without limitation: any patent, trademark, service mark, trade dress, trade name, copyright, trade secret, right of privacy, license, publicity or moral right, or utilize any manufacturing or administrative process that would infringe or violate any such right, and Seller has not received any notification of and has no knowledge of any basis upon which a third party could claim or contest the intellectual property in Seller's merchandise;

- C. is accurately labeled and clearly identifies the country of origin;
- D. is labeled in accordance with and complies in all respects with any and all applicable laws, regulations, orders and ordinances, including without limitation:
 - (i) For merchandise shipped to the United States: any applicable rules of the Federal Trade Commission, the Consumer Products Safety Commission and the Department of Health, Education and Welfare, including care labeling requirements, and the requirements of each of the following Acts to which it may be subject: The Federal Food, Drug and Cosmetic Act, the Wool Products Labeling Act of 1939, the Fair Packaging and Labeling Act, the Fur Products Labeling Act, the Textile Fiber Products Identification Act, the Federal Hazardous Substances Act and the Flammable Fabrics Act, the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).
 - (ii) For merchandise shipped to Canada: any applicable rules of the Competition Bureau, Health Canada and the Canadian Food Inspection Agency, including but not limited to care labeling requirements, and the requirements of each of the following Acts to which it may be subject: the Food and Drugs Act, the Consumer Packaging and Labelling Act, the Canada Consumer Product Safety Act, and the Safe Food for Canadians Act.
- E. is processed, packed and shipped in accordance with:
 - (i) all applicable supply-chain security requirements that the merchandise's country of destination may adopt such as the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) or the Canadian Partners in Protection (PIP) Program; and
 - (ii) all applicable federal, state/provincial and local hazardous material transportation laws and regulations of the country of destination.

As between Purchaser and Seller, Seller is solely responsible for ensuring merchandise is properly labeled as required by law. If Seller's merchandise requires a specific label or warning, Seller must deliver such merchandise to Purchaser with the necessary label or warning affixed to the product or consumer packaging. Purchaser is not responsible for labeling merchandise or displaying in-store signage on behalf of Seller. Purchaser may provide an option to display certain label or warning information in connection with the sale of Seller's product (such as displaying a Proposition 65 warning on Nordstrom.com), provided (a) Seller must provide Purchaser with the information requested and in the manner specified by Purchaser in the Vendor Purchasing Guide, (b) Seller acknowledges that Purchaser will only display such information or warnings in the way Purchaser is set up to display the information/warning (which may vary from the preferred method or language of Seller), and (c) Seller will not rely on Purchaser to satisfy Seller's compliance obligations, and nothing in the foregoing will be deemed to shift liability for compliance obligations from Seller to Purchaser. Seller acknowledges that merchandise delivered to Purchaser may be sold in California and may be subject to California's Proposition 65 requirements.

10. Seller hereby grants to Purchaser and its affiliates a worldwide, non-exclusive, non-transferable, non-sublicensable, and royalty-free right and license to publish, use, reproduce, distribute, transmit, display, modify, edit and create derivative works based on Seller's name, trademarks, trade names, brand names, trade dress, copyrights, and other proprietary rights (including all product images, product descriptions, and all other information, materials, and content) (collectively, "Supplier Content") in connection with marketing across any and all channels and forms of media. Except for the license granted herein, Seller reserves all right, title, and interest in and to the Supplier Content. Any goodwill accruing from Purchaser's use of Seller's trademarks will inure solely to the benefit of Seller. Seller represents and warrants that it has all rights necessary to grant the licenses in this Section.

11. Seller agrees to defend (with counsel acceptable to Purchaser), indemnify and hold harmless the Purchaser from any and all claims, suits, fines, penalties, liabilities, damages, losses or expenses, including attorneys' fees and costs, asserted against or incurred by Purchaser by reason of, or arising out of or occurring in connection with: (a) any breach or alleged breach of any of these terms and conditions, the provisions of any purchase order, or the applicable Vendor Purchasing Guide, or any representations or warranties of Seller made herein or in any purchase order or otherwise, (b) any claim that the Supplier Content infringes, misappropriates, or violates a third party's trademark, copyright, or other intellectual property rights, (c) any act or omission of Seller in the furnishing of goods or in the performance of work under any purchase order, including, but not limited to worker's compensation or worker wages, discrimination or other employee related matters, (d) the possession or use of Seller's merchandise by customers of Purchaser or others,

(e) the transportation or shipping of any merchandise covered under the purchase order authorized by or in Seller's control; and (f) any warranties related to, quality standards, manufacture of or defects in the products covered by the purchase order. For purposes of this provision, "Seller" shall be deemed to include Seller, its representatives, agents, Purchaser-authorized subcontractors, and employees. Seller shall not, without the prior written consent of Purchaser, settle or compromise any action, suit, proceeding or claim in which Purchaser is named as a party, or consent to the entry of any judgment in any such matter. All indemnification obligations of Seller hereunder shall survive termination or cancellation of any purchase order. Seller agrees that Purchaser may, at any time, request and/or maintain records of Seller's compliance with the representations and warranties of Seller made in any purchase order or otherwise, including test results, and that Purchaser may at any time, upon notice to Seller, undertake inspection of Seller's facilities or request test results in order to determine such compliance. Seller agrees to maintain insurance in full force and effect and will furnish Purchaser with a certificate of insurance evidencing coverage for Commercial General Liability Insurance including Products Liability, with at least one-million dollars (\$1,000,000) combined single limit per occurrence. Seller will also provide Purchaser an Additional Insured (AI) endorsement naming Nordstrom, Inc., its subsidiaries and affiliates as additional insureds. Purchaser will accept a blanket AI endorsement to fulfill this requirement. By requiring insurance herein, Purchaser does not represent that coverage and limits will be adequate to protect Seller and such coverage and limits shall not be deemed as a limitation on Seller's liability hereunder.

12. Confidential Information and Privacy:

- A. "Confidential Information" means information, in any format, that Purchaser designates as confidential or that reasonably should be understood to be confidential, proprietary or a trade secret given its nature and circumstances of disclosure. Confidential Information includes, but is not limited to, business and marketing plans, technology and technical information, product plans and designs, research and development activities, business processes, costs, pricing, recipes, formulas, profits, compensation, financial information, and Personal Information as it is defined in this Section.
- B. "Personal Information" is a subset of Confidential Information and means any data that identifies or can be used to identify, contact or locate a natural person such as name, address, telephone number or email address.
- C. Confidential Information (other than Personal Information) shall not include any information that (i) is or becomes publicly available without Seller's breach of this Agreement, (ii) was known to Seller prior to its disclosure by Purchaser pursuant to the terms of this Agreement, (iii) Purchaser has approved for release, in writing, or, (iv) which has been independently developed by Seller prior to disclosure by Purchaser to Seller, by personnel having no access to the Confidential Information at the time. In any dispute between the parties with respect to these exclusions the burden of proof shall be on Seller with a standard of clear and convincing evidence.
- D. Seller shall (i) only use Confidential Information as necessary to perform its obligations specified in these terms and conditions and to provide the merchandise to Purchaser or individuals as instructed by Purchaser (ii) not disclose Confidential Information to any third party without Purchaser's prior written consent; and (iii) take security precautions, in the same manner it takes to protect its own confidential information, but in no event less than reasonable care or the measures required by applicable privacy and security laws or industry standards, to safeguard the Confidential Information.
- E. Seller shall immediately notify Purchaser via email to privacy@nordstrom.com upon discovery of any suspected or actual unauthorized use or disclosure of the Confidential Information or any other breach of this Agreement by Seller, its representatives or affiliates. In no event shall Seller take more than twenty-four (24) hours to notify Purchaser. Seller will cooperate at its own expense in every reasonable way to help Purchaser regain possession of the Confidential Information and use best efforts to prevent its further unauthorized use or disclosure. Seller shall not contact individuals or suppliers of Purchaser regarding such breach without the prior written consent of Purchaser.
- F. Seller represents and warrants that its processing, storage, and transmission of Personal Information does and will comply with all applicable federal and state privacy and data protection laws, all other applicable regulations and directives, and these terms and conditions. Seller certifies that it understands its obligations under the California Consumer Privacy Act as a service provider to Purchaser, and agrees that it will not: sell Personal Information; retain, disclose, or use Personal Information for any purpose other than to provide the merchandise to Purchaser or individuals as instructed by Purchaser; or retain or use Personal Information outside of this direct business relationship between Seller and

Purchaser. At Purchaser's request, Seller will delete from its records any Personal Information that was provided or collected by Nordstrom or on its behalf (unless Seller is permitted to retain it as necessary to comply with applicable law).

13. Seller represents and warrants that the prices and terms specified in any purchase order are no less favorable to the Purchaser than any prices or terms upon which Seller sells or offers to sell to others goods substantially of the same kind as ordered by Purchaser. If at any time goods substantially of the same kind as ordered by Purchaser are sold or offered for sale by Seller to a third party (or to Purchaser or any affiliate of Purchaser in connection with the same sales event for Purchaser) at lower prices or on terms more favorable than those stated in the purchase order, the prices and terms in the purchase order shall be automatically revised to equal the lowest prices and most favorable terms at which Seller shall have sold or shall have offered such goods and payment shall be made accordingly, or at the option of Purchaser, the merchandise may be returned to Seller, at Seller's cost, for a full refund of the purchase price. In the event Purchaser shall become entitled to such lower prices, Seller shall notify Purchaser of such lower prices, and if Purchaser shall have made payment at any price in excess thereof, Seller shall promptly refund the difference in price to the Purchaser. Seller agrees to meet any lower price offered by any competitor of Seller for goods substantially of the same kind as ordered by Purchaser or accept cancellation of the purchase order by Purchaser. Seller's price for shipment shall include all costs and charges, including but not limited to packaging, boxing, crating and freight, associated with the applicable 2010 Incoterm specified in the applicable Vendor Purchasing Guide or the purchase order. Purchaser shall have the right to conduct a post-payment review of all payments made to Seller for determining compliance with these terms and conditions. Non-compliance will result in a chargeback or expense offset fee in accordance with the applicable Vendor Purchasing Guide or to provide Purchaser with the more favorable pricing and/or terms.

14. Purchaser reserves the right to cancel all or any part of any purchase order which has not actually been shipped by Seller in the event Purchaser's business is interrupted because of strikes, labor disturbances, lockout, riot, hostilities, war, insurrection, civil disorders, national emergencies, embargoes, fire, flood, failure of communication or power supply, pandemic or other public health emergency, natural disasters, act of God, or the public enemy, or any other cause, whether like or unlike the foregoing, if beyond the reasonable efforts of the Purchaser to control. Seller's timely performance under any purchase order shall not be excused or deemed to have been made impracticable by reason of any delay or failure to perform by Seller or any agent, subcontractor or supplier of Seller, caused by or related to any computer system incompatibility or inability to accurately process date and time data.

15. A waiver of or failure to perform any one or more of the conditions of any purchase order shall not constitute a waiver of or an excuse for nonperformance as to any other part of these terms and conditions or any purchase order.

16. Unless otherwise specified by Purchaser or required by law, payment terms shall be net forty-five (45) days. Payment terms will be calculated from the receipt of goods at destination (not at consolidator) or receipt of invoice, whichever is later. For purchase orders with "End of Month" payment terms, any shipments received after the 20th of the month will be considered next month's business. Payments will be issued in the currency listed on the purchase order on the next possible payment run following the due date after the shipment has been received and the invoice has been reconciled. If the currency listed on the purchase order is U.S. Dollars (USD) and the merchandise is destined for Canada, payments will be made electronically. Purchaser reserves the right to offset any amounts claimed by Purchaser against any amounts otherwise due Seller.

17. Purchaser shall have no liability whatsoever to Seller for any amount paid to any assignee, secured creditor, or other party claiming an interest in the Seller's accounts receivable or other right to payment from Purchaser (the "Interest Holder"), if Purchaser has made payment to the Interest Holder pursuant to a notice of assignment pursuant to UCC 9-406 or a notice to account debtor pursuant to UCC 9-607 ("Notice to Account Debtor"), regardless of whether such claimed interest or Notice to Account Debtor is later determined to be invalid. Seller further agrees to indemnify and hold harmless Purchaser for any payment made to any Interest Holder in reliance on a Notice to Account Debtor.

18. In addition to any other remedies available to Purchaser, failure to comply with these terms and conditions, the provisions of any purchase order, or the applicable Vendor Purchasing Guide, will result in offset charges and handling fees being charged to Seller. In any dispute under any purchase order or these terms and conditions, whether or not litigation is commenced, the prevailing party shall be entitled to its costs and expenses incurred, including reasonable attorneys' fees. The rights and remedies herein expressly provided shall be in addition to any other rights and remedies given by law or in equity, including without limitation, injunctive relief and the right of Purchaser to recover all incidental special and consequential and punitive damages. All warranties, representations and guaranties and indemnities made by Seller herein are in addition to any and all express or implied warranties provided by law and shall survive termination or cancellation of any purchase order.

19. Seller acknowledges and agrees that all covenants, representations and warranties of Seller hereunder, and all express and implied warranties with respect to such merchandise, are for the benefit of and extend to Nordstrom, Inc. or any of its affiliates. Seller agrees that Nordstrom, Inc. or any of its affiliates shall be entitled to exercise any rights of the Purchaser and to make any claims and return any merchandise directly to Seller pursuant to the terms of any purchase order.

20. In the event of any proceeding, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller, or in the event of the appointment with or without Seller's consent of a receiver or an assignee for the benefit of creditors, Purchaser may, at its option, cancel any purchase order as to any undelivered portion of the merchandise.

21. Seller agrees that it will not use any trademark, service mark or trade name, patent or trade dress owned or controlled by or licensed to Purchaser or any of its affiliates, or used by Purchaser or its affiliates in connection with any products, lines, departments or other goods or services of Purchaser or its affiliates, including but not limited to "Nordstrom" or "Nordstrom Rack," except in connection with merchandise shipped to Purchaser in accordance with a valid purchase order. Seller agrees that all trademarks and trade names of Purchaser belong to or are licensed to Purchaser and Seller will make no claim of right to use or of ownership nor will Seller attempt to register any such trademark or trade name. Seller agrees that merchandise rejected or returned for any reason pursuant to the terms of any purchase order, whether or not such rejection is disputed by Seller, including but not limited to merchandise rejected or returned due to shipment after the delivery date or cancel date specified in the purchase order, will not be resold or otherwise distributed by Seller unless all labels, tags, logos, monograms and other items or characteristics identifying Nordstrom, Nordstrom Rack or any other trademark, service mark, trade dress or trade name owned or controlled by or licensed to Purchaser or its affiliates, or used by Purchaser or its affiliates in connection with any products, lines, departments or other goods or services of Purchaser or its affiliates, have first been removed. Upon request, Seller shall provide Purchaser with evidence of such removal in a form and substance acceptable to Purchaser in its sole discretion.

22. Seller agrees that all merchandise shipped under any purchase order may be advertised and sold by Purchaser (or any of Purchaser's affiliates) at any retail facilities of Purchaser (or any of Purchaser's affiliates), or by means of catalogs, the Internet, or any other electronic or other medium.

23. Except as applicable in Section 23(A) below, each purchase order and the rights and obligations of the parties hereunder shall be determined in accordance with the laws of the State of Washington and shall not be subject to or governed by the U.N. Convention on Contracts for the International Sale of Goods. If litigation arises under any purchase order or these terms and conditions, or as a consequence of any transaction contemplated or resulting from this or either party's performance or breach thereof, jurisdiction and venue of such litigation shall be exclusively in the Superior Court for the State of Washington for King County, or the United States District Court for the Western District of Washington in Seattle, at the option of Purchaser, and Seller hereby consents to such jurisdiction and venue. Any award or judgment of any of said courts may be entered and enforced in any other domestic or foreign court of competent jurisdiction and shall be awarded full faith and credit.

A. For Sellers not located in the U.S., meaning Sellers whose address as provided in relevant purchase order is not located in the U.S., each purchase order and the rights and obligations of the parties hereunder shall be determined in accordance with the laws of the State of Washington and shall not be subject to or governed by the U.N. Convention on Contracts for the International Sale of Goods. All disputes arising out of or in connection with the purchase order, and the rights and obligations of the parties, shall be finally settled by the American Arbitration Association under the International Arbitration Rules. The number of arbitrators shall be determined based on the amount in dispute. If the disputed amount is below \$250,000.00 USD, then one arbitrator shall be appointed by mutual agreement. If the disputed amount is greater than \$250,000.00 USD, then three arbitrators shall be appointed (each party shall nominate one arbitrator, and the two arbitrators nominated by the parties shall within 15 days of the appointment of the second arbitrator agree upon a third arbitrator who shall act as President). The seat or legal place of the arbitration shall be Seattle, Washington, USA. The language of the arbitration shall be English.

24. No claim, action or demand arising out of the transactions under any purchase order may be brought by Seller more than one (1) year after the cause of action has accrued.

25. Seller hereby assigns to Purchaser all assignable warranty rights with respect to the merchandise in each purchase order, including without limitation all rights of Seller under warranties of any manufacturer of any of the merchandise or any part or component thereof.

26. Each purchase order is enforceable by Purchaser directly against Seller, regardless of whether the purchase order was submitted directly to Seller by Purchaser or was submitted to Seller by another party on behalf of Purchaser. No such other party shall have any authority to act for Purchaser, bind Purchaser to any agreements or modifications or otherwise act as agent for Purchaser. Seller shall not assign or transfer any purchase order, or any interest therein, without the prior written consent of Purchaser, and any attempted assignment made without such consent shall be null and void.

27. Invoicing Instructions:

- (a) All invoices must comply with the requirements of the applicable Vendor Purchasing Guide.
- (b) No payment will be made by Purchaser to Seller unless Seller has completed and returned all vendor setup forms required by Purchaser.

28. Transportation:

- (a) Seller shall ship all merchandise according to the purchase order unless the applicable Vendor Purchasing Guide gives permission to deviate or Purchaser provides its prior written consent.
- (b) Notwithstanding any agreement to pay freight or other transportation charges, delivery will not be deemed complete and risk of loss shall remain with Seller until the merchandise has been actually received and accepted by Purchaser or Purchaser's designated agent.
- (c) All C.O.D shipments will be refused.

(d) For domestic shipments within the U.S. or Canada:

- i. Authorized carrier selection should be made in accordance with the applicable Vendor Purchasing Guide. Any questions should be directed to Nordstrom Corporate Transportation.
- ii. Merchandise shipped F.O.B. Factory or F.C.A. Origin will not be free of charge to Purchaser's consolidator and freight charges will be Purchaser's responsibility from the shipper's door.
- iii. Merchandise shipped F.O.B. Store or D.D.P. Destination will be delivered free of charge to Purchaser's receiving facility and total freight charges will be at Seller's expense.
- iv. In addition to any other remedies available to Purchaser, any deviation from the purchase order, these terms and conditions or the applicable Vendor Purchasing Guide will result in Seller being charged the full cost for any freight expenses, handling fees, storage fees or other expenses incurred by Purchaser or its refusal agent. At its sole discretion, Purchaser may sell any rejected or unclaimed merchandise to a salvage agent to recoup such costs or expenses.
- v. Merchandise must be packed, shipped and described on the bill of lading in accordance with applicable freight tariffs and without declared value except when otherwise instructed in the applicable Vendor Purchasing Guide.
- vi. For prepaid shipments, all shipments to Purchaser via air and surface must be sent "Collect," "Consignee Billing" or "Third-Party Billing" in accordance with the applicable Vendor Purchasing Guide. Purchaser will not reimburse Seller for prepaid shipments.
- vii. Any merchandise not authorized for air shipment must be surface shipped according to the applicable Vendor Purchasing Guide. Seller is solely responsible for marking "Surface" on the applicable bill of lading. An air bill of lading which is used for surface shipment must have the "Special Services Requested" checkbox marked.

(e) For international shipments to the U.S.:

- i. Authorized freight forwarder selection should be made according to the applicable Vendor Purchasing Guide.
- ii. Unless otherwise specified in the purchase order, all merchandise will be shipped to the U.S. Delivered Duty Paid (DDP).
- iii. In addition to any other remedies available to Purchaser, any deviation from the purchase order, these terms and conditions or the applicable Vendor Purchasing Guide will result in Seller being charged the full cost for any freight expenses, handling fees, storage fees or other expenses incurred by Purchaser. If the purchase order provides for shipment via ocean and Seller ships the merchandise

via air, before shipment Seller shall reduce the original cost of the merchandise by the difference in price between ocean shipment and air shipment.

(f) For international shipments to Canada:

- i. Authorized carrier or freight forwarder selection should be made according to the applicable Vendor Purchasing Guide.
- ii. Unless otherwise specified in the purchase order, all merchandise will be shipped to Canada Delivered Duty Paid (DDP).
- iii. In addition to any other remedies available to Purchaser, any deviation from the purchase order, these terms and conditions or the applicable Vendor Purchasing Guide will result in Seller being charged the full cost for any freight expenses, handling fees, storage fees or other expenses incurred by Purchaser. If the purchase order provides for shipment via ocean and Seller ships the merchandise via air, before shipment Seller shall reduce the original cost of the merchandise by the difference in price between ocean shipment and air shipment.

29. If the merchandise is for the Nordstrom Restaurant Division, including its specialty coffee bars, the following terms and conditions apply:

(a) Notwithstanding Section 2, verbal orders made by Purchaser are valid.

(b) If any merchandise is recalled, Seller's obligations shall include, but not be limited to the following:

- i. Immediately, at Seller's sole expense, notify Purchaser of such recall and arrange to have the recalled merchandise picked up from or destroyed at each of Purchaser's locations; and
- ii. Replace any recalled merchandise with new merchandise as ordered by Purchaser; and
- iii. Cooperate in all reasonable respects with Purchaser's public relations representatives, as designated from time to time, to coordinate a mutually acceptable public warning and/or news media communication.
- iv. Immediately provide all test results relating to recalled merchandise to Purchaser upon Purchaser's request.

(c) Purchaser shall have the right with forty-eight (48) hours advance written notice to inspect, during reasonable business hours, the areas of Seller's authorized production and processing facilities from which the merchandise is produced, stored or shipped. Purchaser may initiate an inspection for any reason it deems necessary, including but not limited to, merchandise quality control, cleanliness tests and/or compliance with Nordstrom Restaurant standards and specifications.

(d) Seller represents and warrants that all merchandise provided, processed or manufactured by Seller for Purchaser will be, as of the delivery date:

- i. Not adulterated, misbranded or otherwise in violation of any applicable food quality, food inspection or food processing laws or regulations, including but not limited to the Federal Food, Drug and Cosmetic Act (United States) or the Food and Drugs Act (Canada); and
- ii. Free of any chemicals known to cause cancer or reproductive toxicity as identified by the applicable government authority. If the merchandise contains any of the identified chemicals, Seller represents and warrants such merchandise fully complies with applicable food quality and chemical standards; and
- iii. Free from any salmonella or listeria organisms, toxins, foreign material or other poisonous or injurious matter; and
- iv. Free from any artificial colorings and preservatives which are not derived from a batch certified by Seller in accordance with applicable laws and regulations, including but not limited to the Federal Food, Drug and Cosmetic Act (United States) or the Food and Drugs Act (Canada); and
- v. Free from any hydrogenated or partially hydrogenated oils; and
- vi. If a fluid dairy product, the merchandise contains no Bovine Growth Hormone (BGH).

(e) An invoice must accompany each delivery of merchandise, whether delivered by Seller or by a third party on Seller's behalf.

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

Court File No: CV-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **NORDSTROM
CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC** and **NORDSTROM CANADA
HOLDINGS II, LLC**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT

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Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	MONDAY, THE 20 TH
)	
CHIEF JUSTICE MORAWETZ)	DAY OF MARCH, 2023

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 NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC

LIQUIDATION SALE APPROVAL ORDER

THIS MOTION, made by Nordstrom Canada Retail, Inc. ("**Nordstrom Canada**"), Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things, (i) approving the consulting agreement between Nordstrom Canada and Nordstrom Canada Leasing LP ("**Canada Leasing LP**", and together with Nordstrom Canada, the "**Merchant**") and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC and Gordon Brothers Canada, ULC (collectively, the "**Consultant**") dated as of March 14, 2023 (as may be amended and restated in accordance with the terms thereof, the "**Consulting Agreement**") and the transactions contemplated thereby, and (ii) granting certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Misti Heckel sworn on March 14, 2023 including the exhibits thereto (the "**Third Heckel Affidavit**"), the Second Report of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the "**Monitor**"), filed, and on hearing the submissions of respective counsel for the Applicants and Canada Leasing LP (collectively, the "**Nordstrom Canada Entities**"), the Monitor, the Consultant, and such other

counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn ●, 2023, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated March 10, 2023 (as amended and restated from time to time, the “**Amended and Restated Initial Order**”), the Sale Guidelines (as defined below), or the Consulting Agreement (attached as Exhibit “A” to the Third Heckel Affidavit), as applicable.

THE CONSULTING AGREEMENT

3. **THIS COURT ORDERS** that the Consulting Agreement, including the sale guidelines attached as Schedule “A” hereto (the “**Sale Guidelines**”), and the transactions contemplated thereunder are hereby approved, authorized and ratified and that the execution of the Consulting Agreement by the Merchant is hereby approved, authorized, and ratified, *nunc pro tunc*, with such minor amendments to the Consulting Agreement (but not the Sale Guidelines) as the Merchant (with the consent of the Monitor) and the Consultant may agree to in writing. Subject to the provisions of this Order and the Amended and Restated Initial Order, the Merchant is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein. Without limiting the foregoing, the Merchant is authorized to execute any other agreement, contract, deed or document, or take any other action, that is necessary or desirable to give full and complete effect to the Consulting Agreement. The Consultant shall have the right to syndicate and partner with additional entities to serve as “Consultant” under the Consulting Agreement in accordance with the terms thereof.

THE SALE

4. **THIS COURT ORDERS** that the Merchant, with the assistance of the Consultant, is authorized to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Stores in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement or the Sale Guidelines, the order of priority of documents to resolve such conflicts is as follows: (1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement.

5. **THIS COURT ORDERS** that, subject to paragraph 13 of the Amended and Restated Initial Order, the Merchant, with the assistance of the Consultant, is authorized to market and sell, or otherwise dispose of, the Merchandise, FF&E and Additional Consultant Goods on a “final sale” and/or “as is” basis and in accordance with the Sale Guidelines and the Consulting Agreement, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, and financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to or following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively “**Claims**”), including, without limitation, (a) the Administration Charge, the Directors’ Charge, the KERP Charge and any other charges hereafter granted by this Court in these proceedings (collectively, the “**CCAA Charges**”); and (b) all Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (Alberta), *Personal Property Security Act* (British Columbia), or any other personal or movable property registration system (all of such Claims (including the CCAA Charges) collectively referred to herein as the “**Encumbrances**”), which Encumbrances will attach instead to the proceeds of the Sale (other than amounts specified in paragraph 15 of this Order) in the same order and priority as they existed immediately prior to the Sale.

6. **THIS COURT ORDERS** that subject to the terms of this Order, the Amended and Restated Initial Order and the Sale Guidelines, or any greater restrictions in the Consulting Agreement, the Consultant shall have the right to enter and use the Stores and Distribution Centre and all related store services and all facilities and all furniture, trade fixtures and equipment,

including the FF&E, located at the Stores and Distribution Centre and other assets of the Merchant as designated under the Consulting Agreement, for the purpose of conducting the Sale and for such purposes, the Consultant shall be entitled to the benefit of the stay of proceedings granted in favour of the Nordstrom Canada Entities under the Amended and Restated Initial Order, as such stay of proceedings may be extended by further Order of the Court.

7. **THIS COURT ORDERS** that until the FF&E Removal Deadline for each Store (which shall in no event be later than July 21, 2023, or such later date as may be ordered by this Court) and the Distribution Centre, the Consultant shall have access to (a) the Stores in accordance with the applicable Leases and the Sale Guidelines; and (b) the Distribution Centre in accordance with the applicable contractual agreements between the Merchant and the third party operator of the Distribution Centre, in each case, on the basis that the Consultant is assisting the Merchant, and the Merchant has granted its right of access to the Stores and the Distribution Centre to the Consultant. To the extent that the terms of the applicable Leases are in conflict with any term of this Order or the Sale Guidelines, the terms of this Order and the Sale Guidelines shall govern. With respect to the Distribution Centre, the Consultant shall be deemed to be the Merchant's authorized representative.

8. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the Leases; provided that, the Merchant shall not be in breach or default of the Leases where it takes any action in accordance with and as permitted by the terms of this Order, the Sale Guidelines or the Consulting Agreement. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon the Merchant or the Consultant any additional restrictions not contained in the applicable Lease.

9. **THIS COURT ORDERS** that, subject to and in accordance with the Consulting Agreement, the Sale Guidelines and this Order, the Consultant is authorized to advertise and promote the Sale, without further consent of any Person other than (a) the Merchant and the Monitor as provided under the Consulting Agreement; or (b) a Landlord as provided under the Sale Guidelines.

10. **THIS COURT ORDERS** that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any Person (including any licensor), all licenses and rights granted to the Merchant to use trade names, trademarks, logos, copyrights or other intellectual

property of any Person, solely for the purpose of advertising and conducting the Sale of the Merchandise, FF&E and Additional Consultant Goods in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order.

CONSULTANT LIABILITY

11. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to the Merchant and that it shall not be liable for any claims against the Merchant other than as expressly provided in the Consulting Agreement (including the Consultant's indemnity obligations thereunder) or the Sale Guidelines and, for greater certainty:

- (a) the Consultant shall not be deemed to be an owner or in possession, care, control or management of the Stores or the Distribution Centre, of the assets located therein or associated therewith or of the Merchant's employees located at the Stores or the Distribution Centre or any other property of the Merchant;
- (b) the Consultant shall not be deemed to be an employer, or a joint or successor employer, related or common employer or payor within the meaning of any legislation, statute or regulation or rule of law or equity governing employment, labour standards, pension benefits or health and safety for any purpose whatsoever in relation to the employees of Nordstrom Canada, and shall not incur any successorship liabilities whatsoever (including without limitation losses, costs, damages, fines or awards); and
- (c) subject to and without limiting the Consultant's indemnification of the Nordstrom Canada Indemnified Parties pursuant to the Consulting Agreement, the Consultant shall bear no responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines or awards) relating to Claims of customers, employees and any other Persons arising from events occurring at the Stores during and after the term of the Sale, or at the Distribution Centre, or otherwise in connection with the Sale, except to the extent that such Claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of the Consultant, its employees, Supervisors, independent contractors,

agents or other representatives, or otherwise in accordance with the Consulting Agreement.

12. **THIS COURT ORDERS** that, to the extent (a) any Landlord has a claim against the Merchant arising solely out of the conduct of the Consultant in conducting the Sale; and (b) the Merchant has a claim against the Consultant under the Consulting Agreement arising from such conduct, the Merchant shall be deemed to have assigned such claim against the Consultant under the Consulting Agreement free and clear to the applicable Landlord (the “**Assigned Landlord Rights**”); provided that, each such Landlord shall only be permitted to advance the Assigned Landlord Rights against the Consultant if written notice, including the reasonable details of such claim, is provided by such Landlord to the Consultant, the Merchant and the Monitor during the period commencing on the Sale Commencement Date and ending on the date that is thirty (30) days following the FF&E Removal Deadline; provided, however, that, the Landlords shall be provided with access to the Stores to inspect the Stores within fifteen (15) days following the FF&E Removal Deadline.

CONSULTANT AN UNAFFECTED CREDITOR

13. **THIS COURT ORDERS** that the Consulting Agreement shall not be repudiated, resiliated or disclaimed by the Merchant nor shall the claims of the Consultant pursuant to the Consulting Agreement be compromised or arranged pursuant to any plan of arrangement or compromise among the Merchant and its creditors (a “**Plan**”) and, for greater certainty, the Consultant shall be treated as an unaffected creditor in these proceedings and under any Plan.

14. **THIS COURT ORDERS** that the Merchant is hereby authorized and directed, in accordance with the Consulting Agreement, to remit all amounts that become due to the Consultant thereunder.

15. **THIS COURT ORDERS** that no Encumbrances shall attach to any amounts payable or to be credited or reimbursed to, or retained by, the Consultant pursuant to the Consulting Agreement, including without limitation, any amounts to be reimbursed by any Nordstrom Canada Entity to the Consultant pursuant to the Consulting Agreement, and at all times the Consultant will retain such amounts, free and clear of all Encumbrances, notwithstanding any enforcement or other process or Claims, all in accordance with the Consulting Agreement.

16. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) in respect of any Nordstrom Canada Entity, or any bankruptcy order made pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any Nordstrom Canada Entity;
- (d) the provisions of any federal or provincial statute; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement to which any Nordstrom Canada Entity is a party;

the Consulting Agreement and the transactions and actions provided for and contemplated therein, including without limitation, the payment of amounts due to the Consultant and the Assigned Landlord Rights shall be binding on any trustee in bankruptcy that may be appointed in respect of the Nordstrom Canada Entities and shall not be void or voidable by any Person, including any creditor of the Nordstrom Canada Entities, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable or reviewable transaction, under the CCAA or BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

BULK SALES ACT AND OTHER LEGISLATION

17. **THIS COURT ORDERS AND DECLARES** that the transactions contemplated under the Consulting Agreement shall be exempt from the application of any applicable federal or provincial “bulk sales” legislation.

18. **THIS COURT ORDERS** that the Merchant is authorized and permitted to transfer to the Consultant personal information in the Merchant’s custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes and the

Consultant is hereby authorized to make use of such personal information solely for the purposes as if it were the Merchant, subject to and in accordance with the Consulting Agreement.

STAY EXTENSION

19. **THIS COURT ORDERS** that (a) the Stay Period is hereby extended until and including June 30, 2023; and (b) the stay of proceedings granted in favour of Nordstrom US pursuant to paragraph 17 of the Amended and Restated Initial Order is hereby extended until and including June 30, 2023.

GENERAL

20. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

21. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Nordstrom Canada Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Nordstrom Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Nordstrom Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

22. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of the date of this Order without the need for entry or filing.

SCHEDULE “A”
SALE GUIDELINES
(Attached)

SALE GUIDELINES

Capitalized terms used but not defined in these Sale Guidelines shall have the meanings ascribed to them in the Consulting Agreement (as defined below) or the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 2, 2023 (as amended and restated from time to time, the “**Initial Order**”) made in the proceedings involving, *inter alia*, Nordstrom Canada Retail, Inc. and Nordstrom Canada Leasing LP (collectively, the “**Merchant**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).

The following procedures shall apply to the sale (the “**Sale**”) of merchandise, inventory, furniture, fixtures and equipment at the Merchant’s retail stores (individually, a “**Store**” and, collectively, the “**Stores**”).

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Court dated March 20, 2023, approving, *inter alia*, the Consulting Agreement between the Merchant and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC and Gordon Brothers Canada, ULC (collectively, the “**Consultant**”) dated as of March 14, 2023 (as amended and restated from time to time, the “**Consulting Agreement**”) and the transactions contemplated thereunder (the “**Liquidation Sale Approval Order**”); (ii) any further Order of the Court; and/or (iii) any subsequent written agreement between the Merchant and its Landlord(s) and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the applicable Leases. However, nothing contained herein shall be construed to create or impose upon the Merchant or the Consultant any additional restrictions not contained in the applicable Lease.
2. The Sale shall be conducted so that each Store remains open during its normal hours of operation provided for in its respective Lease, until the respective Sale Termination Date of each Store. The Sale at the Stores shall end by no later than June 30, 2023 (such date, or such other date as determined in accordance with the Consulting Agreement and the Liquidation Sale Approval Order). Rent payable under the Leases shall be paid as provided in the Initial Order.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise set out herein or ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as a “everything on sale”, “everything must go”, “store closing” and/or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a “bankruptcy”, a “liquidation” or a “going out of business” sale). Forthwith upon request from a Landlord, the Landlord’s counsel, the Merchant or the Monitor, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or these Sale Guidelines and where the provisions of the Lease conflict with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow signs or any handwritten signage (save that handwritten “you pay” or “topper” signs may be used). If a Landlord is concerned with “Store Closing” signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Merchant,

the Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store locations without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common areas of a mall shall be used unless explicitly permitted by the applicable Lease. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone, strip mall or enclosed mall Store locations with a separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used; and (ii) where such banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Service List. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant.

5. The Consultant shall be permitted to utilize sign-walkers and street signage; provided, however, such sign-walkers and street signage shall not be located on the shopping centre or mall premises.
6. The Consultant shall be entitled to include additional merchandise of the Merchant in the Sale, including (i) additional merchandise that is currently in the possession or control of the Merchant (including in any distribution centre used by the Merchant) or has previously been ordered by or on behalf of the Merchant and is currently in transit to the Merchant (including any distribution centre used by the Merchant) or a Store; and (ii) the additional merchandise is of like kind and category and no lesser quality to the Merchandise.
7. In addition, the Consultant shall be entitled, as agent of the Merchant, pursuant to and in accordance with the Consulting Agreement, to include in the Sale at the Full Line Stores the Additional Consultant Goods to the extent permitted under the terms of the Consulting Agreement, which terms include that (i) the Additional Consultant Goods sold as part of the Sale will not exceed \$10 million at cost in the aggregate; and (ii) the Additional Consultant Goods are of like kind and category and no lesser quality to the Merchandise, and consistent with any restriction on usage of the Full Line Stores set out in the applicable Leases.
8. Conspicuous signs shall be posted in the cash register areas of each of the Stores to the effect that all sales are “final” and customers with any questions or complaints are to call the Merchant’s customer care number, and such signs shall be in addition to any other caution signage of the Merchant in the cash register areas.
9. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on Landlord’s property, unless explicitly permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as explicitly permitted under the applicable Lease or agreed to by the Landlord, and no advertising trucks shall be used on Landlord property or mall ring roads, except as explicitly permitted under the applicable Lease or agreed to by the Landlord.

10. At the conclusion of the Sale and the FF&E Removal Period in each Store, the Consultant shall arrange that the premises for each Store are in “broom-swept” and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than the FF&E (as defined below)) may be removed without the applicable Landlord’s written consent unless otherwise provided by the applicable Lease and in accordance with the Initial Order and the Liquidation Sale Approval Order. Any trade fixtures or personal property left in a Store after the applicable FF&E Removal Deadline in respect of which the applicable Lease has been disclaimed by the Merchant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord. Nothing in this paragraph shall derogate from or expand upon the Consultant’s obligations under the Consulting Agreement. Notwithstanding the foregoing, the Merchant shall only exercise its rights to abandon Remaining FF&E pursuant to Section 6(f) of the Consulting Agreement if: (i) the applicable Landlord has consented thereto; (ii) such abandonment is not prohibited under the applicable Lease; or (iii) upon further Order of the Court.
11. Subject to the terms of paragraph 10 above, the Consultant may also sell furniture, fixtures and equipment located in the Stores during the Sale and the FF&E Removal Period that are (i) fully owned by the Merchant; (ii) owned jointly by the Merchant and one or more third-party vendors of the Merchant, as directed by the Merchant with the consent of the Monitor and agreed to by such third parties; or (iii) fully owned by a third party if agreed to by such third party and the Merchant with the consent of the Monitor (collectively, the “**FF&E**”). For greater certainty, FF&E does not include any portion of a Stores’ mechanical, electrical, plumbing, security, HVAC, sprinkler, fire suppression, or fire alarm systems (including related fixtures and affixed equipment). The Merchant and the Consultant may advertise the sale of the FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the Landlord. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove the FF&E either through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if the FF&E can fit in a shopping bag, with Landlord’s supervision if required by the Landlord and in accordance with the Initial Order and the Liquidation Sale Approval Order. The Consultant shall repair any damage to the Stores resulting from the removal of any FF&E or personal property of the Merchant by the Consultant or by third party purchasers of FF&E or personal property from the Consultant.
12. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
13. The Merchant hereby provides notice, including for purposes of the Initial Order, to the Landlords of the Merchant’s and the Consultant’s intention to sell and remove FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord represented by counsel on the Service List and with any other Landlord that so requests, a walk-through with the Consultant to identify any FF&E that is subject to the Sale. The relevant Landlord shall be entitled to have a representative present in the applicable Stores

to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Merchant, the Consultant and such Landlord, or by further Order of the Court upon application by the Merchant on at least two (2) business days' notice to such Landlord and the Monitor. If the Merchant has disclaimed the Lease governing such Store in accordance with the CCAA and the Initial Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the CCAA and the Initial Order), and the disclaimer of the Lease shall be without prejudice to the Merchant's or the Consultant's claim to the FF&E in dispute.

14. If a notice of disclaimer of Lease is delivered pursuant to the CCAA and the Initial Order to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then:
(i) during the notice period prior to the effective date of the disclaimer, the Landlord may show the affected Store to prospective tenants during normal business hours, on giving the Merchant, the Monitor and the Consultant at least twenty-four (24) hours' prior written notice; and (ii) at the effective date of the disclaimer, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against the Merchant or any of its affiliates in respect of such Lease or Store; provided that, nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
15. The Consultant and its agents and representatives shall have the same access rights to the Stores as the Merchant under the terms of the applicable Lease, and the Landlords shall have access rights to the Stores as provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings and the terms of the Initial Order and the Liquidation Sale Approval Order).
16. The Merchant and the Consultant shall not conduct any auctions of Merchandise or FF&E at any of the Stores.
17. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for the Consultant shall be Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King St. W., Toronto, ON M5H 3C2 Canada, Attn: Jane Dietrich, Esq., Email: jdietrich@cassels.com. If the parties are unable to resolve the dispute between themselves, the Landlord or the Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties and the Monitor, during which time the Consultant shall suspend all activity in dispute other than activities expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of any dispute.
18. Nothing herein or in the Consulting Agreement is, or shall be deemed to be, a sale, assignment or transfer of any Lease to the Consultant nor a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights in relation to the sale, assignment or transfer of any Lease than already exist under the terms of any such Lease.

19. These Sale Guidelines may be amended on a Store-by-Store basis, by written agreement between the Merchant, the Consultant, and the applicable Landlord, with the consent of the Monitor; provided however, that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving such amended Sale Guidelines.

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

Court File No: CV-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORDSTROM
CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM CANADA
HOLDINGS II, LLC

Applicants

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

LIQUIDATION SALE APPROVAL ORDER

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Lawyers for the Applicants

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

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD OF THE APPLICANTS
(Motion for Sale Approval Order)**

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