

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
(Motion for Stay Extension)

December 2, 2024

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

TO: **SERVICE LIST**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC (the “**Applicants**”)

SERVICE LIST
(As at July 12, 2024)

<p>OSLER, HOSKIN & HARCOURT LLP 100 King Street West 1 First Canadian Place, Suite 6200 P.O. Box 50 Toronto, ON M5X 1B8</p> <p>Tracy C. Sandler Direct: 416.862.5890 E-mail: tsandler@osler.com</p> <p>Jeremy Dacks Direct: 416.862.4923 E-mail: jdacks@osler.com</p> <p>Martino Calvaruso Direct: 416.862.6665 E-mail: mcavaruso@osler.com</p> <p>Marleigh Dick Direct: 416.862.4725 E-mail: mdick@osler.com</p> <p><i>Counsel to the Nordstrom Canada Entities</i></p>	<p>ALVAREZ & MARSAL CANADA INC. Royal Bank Plaza, South Tower 200 Bay Street, Suite 2900 P.O. Box 22 Toronto, ON M5J 2J1</p> <p>Doug McIntosh Direct: 416.847.5150 E-mail: dmcintosh@alvarezandmarsal.com</p> <p>Al Hutchens Direct: 416.847.5159 E-mail: ahutchens@alvarezandmarsal.com</p> <p>Nate Fennema Direct: 416.847.5183 E-mail: nfennema@alvarezandmarsal.com</p> <p>Skylar Rushton Direct: 416.847.5204 E-mail: srushton@alvarezandmarsal.com</p> <p>Connor Good Direct: 705.717.9025 E-mail: cgood@alvarezandmarsal.com</p> <p><i>Monitor</i></p>
---	---

<p>GOODMANS LLP Bay Adelaide Centre – West Tower 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7</p> <p>Brendan O’Neill Direct: 416.849.6017 E-mail: boneill@goodmans.ca</p> <p>Bradley Wiffen Direct: 416.597.4208 E-mail: bwiffen@goodmans.ca</p> <p>Andrew Harmes Direct: 416.849.6923 E-mail: aharmes@goodmans.ca</p> <p><i>Counsel to Monitor</i></p>	<p>FASKEN MARTINEAU DUMOULIN LLP Bay Adelaide Centre 333 Bay Street, Suite 2400 Toronto, ON M5H 2T6</p> <p>Aubrey Kaufmann Direct: 416.868.3538 E-mail: akauffman@fasken.com</p> <p>Daniel Richer Direct: 416.868.4445 E-mail: dricher@fasken.com</p> <p><i>Canadian counsel to Nordstrom, Inc.</i></p>
<p>URSEL PHILLIPS FELLOWS HOPKINSON LLP 555 Richmond St. W., Suite 1200 Toronto, ON M5V 3B1</p> <p>Susan Ursel Direct: 416.969.3515 E-mail: SUrsel@upfhlaw.ca</p> <p>Karen Ensslen Direct: 416.969.3518 E-mail: KEnsslen@upfhlaw.ca</p> <p>Simone Truemner-Caron Direct: 416.642.4504 E-mail: struemnercaron@upfhlaw.ca</p> <p><i>Employee Representative Counsel</i></p>	<p>CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p>Harvey Chaiton Direct: 416.218.1129 E-mail: harvey@chaitons.com</p> <p>George Benchetrit Direct: 416.218.1141 E-mail: george@chaitons.com</p> <p><i>Counsel to the Directors and Officers of the Nordstrom Canada Entities</i></p>
<p>GALE RUBENSTEIN c/o Goodmans LLP Bay Adelaide Centre 333 Bay St, Suite 3400 Toronto, ON M5H 2S7</p> <p>E-mail: grubenstein@goodmans.ca</p> <p><i>Trustee of the Nordstrom Canada Employee Trust</i></p>	<p>EMKAY CANADA LEASING CORPORATION 55 Standish Court, Suite 440 Mississauga, ON L5R 4B2 Canada</p> <p>320, 909-17th Avenue S.W. Calgary, AB T2T 0A4</p> <p>300, 109 Atlantic Ave Toronto, ON M6K 1X4</p> <p>Lisa Shavrnach E-mail: lshavrnach@emkay.com</p>

<p>GOLDEN GOOSE S.P.A. Via Privata E. Marelli 10 Milan 20139 Italy</p> <p>Silvio Campara E-mail: s.campara@goldengoose.com</p> <p>Siliva Merati E-mail: s.merati@goldengoose.com</p> <p>Vincenzo Roberto E-mail: vincenzo.roberto@goldengoose.com</p> <p>Leila Boscaino E-mail: l.boscaino@goldengoose.com</p>	<p>ADIDAS CANADA LIMITED 8100 Highway 27 Woodbridge, ON L4H 3N2</p> <p>Matt Rossetti Director, Legal Counsel E-mail: matt.rossetti@adidas.com</p>
<p>MCCARTHY TÉTRAULT LLP 1000 De La Gauchetière Street West Suite MZ400 Montréal, QC H3B 0A2</p> <p>Hugo Babos-Marchand Tel: 514.397.4156 E-mail: hbmarchand@mccarthy.ca</p> <p>François Alexandre Toupin Tel: 514.397.4210 E-mail: fatoupin@mccarthy.ca <i>Counsel to L'Oréal Canada Inc.</i></p>	<p>DR. MARTENS AIRWAIR CANADA INC.</p> <p>Dinah Choi Vice President of Legal – Americas E-mail: dinah.choi@drmartens.com</p>
<p>ALLEN MCDONALD SWARTZ LLP 100 King Street West First Canadian Place, Suite 5600 Toronto, ON M5X 1C9</p> <p>Brad Elberg Tel: 416.642.2524 E-mail: belberg@amsbizlaw.com <i>Counsel to Dr. Martens AirWair Canada Inc.</i></p>	<p>WEYCO GROUP</p> <p>Amanda Schindler Director of Credit E-mail: aschindler@weycogroup.com</p> <p>Veronica Montes de Oca Mirele Credit Manager E-mail: vmontes@weycogroup.com</p>

<p>MILLER THOMSON LLP Scotia Plaza 40 King Street West, Suite 5800 P.O. Box 1011 Toronto, Ontario M5H 3S1</p> <p>Patrick Corney Tel: 416.595.8555 E-mail: pcorney@millerthomson.com</p> <p>David Ward Tel: 416.595.8625 E-mail: dward@millerthomson.com</p> <p><i>Counsel to Suitsupply</i></p>	<p>WRIGHT HENRY LLP 200 Wellington St. West Suite 602 Toronto, ON M5V 3C7</p> <p>Michael Wright Tel: 416.306.8270 E-mail: mwright@wrighthenry.ca</p> <p><i>Counsel to Alix Box, Senior Vice President, Regional Manager Canada at Nordstrom</i></p>
<p>SPORTS INDUSTRY CREDIT ASSOCIATION 245 Victoria Avenue, Suite 800 Westmount (Quebec), Canada H3Z 2M6</p> <p>Brian Dabarno President E-mail: Brian@sica.ca</p> <p>William Anidjar Director of Credit – North America Tel: 514.931.5561, Ext. 223 E-mail: william@sica.ca</p>	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Sam Babe Tel: 416.865.7718 E-mail: sbabe@airdberlis.com</p> <p>Richard Epstein Tel: 416.865.3437 E-mail: repstein@airdberlis.com</p> <p>Matilda Lici Tel: 416.865.3428 E-mail: mlici@airdberlis.com</p> <p><i>Counsel for National Logistics Services (2006) Inc.</i></p>
<p>MCCARTHY TÉTRAULT LLP Suite 5300, Toronto Dominion Bank Tower Toronto, ON M5K 1E6</p> <p>Casey Halladay Tel: 416.601.4348 E-mail: challaday@mccarthy.ca</p> <p>Saneea Tanvir Tel: 416.601.8181 E-mail: stanvir@mccarthy.ca</p> <p><i>Counsel for Estee Lauder Cosmetics Ltd. and Valentino</i></p>	<p>JUST-FIDES ADVOCACY 98 Redpath Avenue, Suite 25 Toronto, ON M4S 2J7</p> <p>Robert S. Choi Tel: 416.357.1113 E-mail: rchoi@just-fides.com</p> <p><i>Counsel for Brunello Cucinelli</i></p>

<p>BYREDO 500 7th Avenue, 9th Floor New York, NY 10018, USA</p> <p>Robert Sorce President, Byredo Americas E-mail: rsorce@byredo.com</p> <p>Albert Colldecarrera Vega North American Legal Director, Puig E-mail: albert.colldecarrera@puig.es</p>	<p>WOMBLE BOND DICKINSON (US) LLP 950 Third Avenue Suite 2400 New York, NY 10022</p> <p>Edward Schnitzer Tel: 332.258.8495 E-mail: Edward.Schnitzer@wbd-us.com</p> <p><i>Counsel to Milberg Factors, Inc.</i></p>
<p>MILBERG FACTORS, INC. 99 Park Avenue New York, NY 10016</p> <p>Maurice Sabony E-mail: msabony@milfac.com</p> <p>Barry Machowsky E-mail: bmachowsky@milfac.com</p> <p>Jeff Litt E-mail: jlitt@milfac.com</p>	<p>BAKER & MCKENZIE LLP Brookfield Place, Suite 2100 181 Bay Street, P.O. Box 874 Toronto, ON M5J 2T3</p> <p>Michael Nowina E-mail: Michael.Nowina@bakermckenzie.com</p> <p><i>Counsel to PRADA USA Corp.</i></p>
<p>MILLER THOMSON LLP Scotia Plaza 40 King Street West, Suite 5800 P.O. Box 1011 Toronto, ON Canada M5H 3S1</p> <p>Jeffrey Carhart E-mail: jcarhart@millerthomson.com</p> <p>Monica Faheim E-mail: mfaheim@millerthomson.com</p> <p><i>Counsel to Wells Fargo Bank</i></p>	<p>WELLS FARGO BANK 800 Walnut St., Des Moines, IA 50309 United States</p> <p>Jeffrey A. Chadwick E-mail: jeffrey.a.chadwick@wellsfargo.com</p>
<p>CASSELS BROCK & BLACKWELL LLP Suite 2100, Scotia Plaza 40 King Street West Toronto, ON, M5H 3C2</p> <p>Jane Dietrich jdietrich@cassels.com</p> <p>Monique Sassi msassi@cassels.com</p> <p><i>Counsel to the Consultant</i></p>	<p>BLAKE, CASSELS & GRAYDON LLP 199 Bay Street Suite 4000, Commerce Court West Toronto, Ontario M5L 1A9</p> <p>Linc Rogers linc.rogers@blakes.com</p> <p>Jake Harris jake.harris@blakes.com</p> <p><i>Counsel to LVMH Moet Hennessy Louis Vuitton Inc.</i></p>

<p>WALKER ENVIRONMENTAL GROUP INC.</p> <p>Michael Cappa In-House Counsel Tel: 905.465.4889 E-mail: MCappa@walkerind.com</p>	<p>MCCARTHY TETRAULT LLP Suite 2400 745 Thurlow Street Vancouver, BC V6E 0C5</p> <p>H. Lance Williams Direct: 604.643.7154 E-mail: lwilliams@mccarthy.ca</p> <p>Ashley Bowron Direct: 604.643.7973 E-mail: abowron@mccarthy.ca</p> <p>Sue Danielisz E-mail: sdanielisz@mccarthy.ca <i>Counsel to Tory Burch LLC</i></p>
<p>VINCE, LLC 500 Fifth Avenue, 20th Floor New York, NY 10110</p> <p>Nicole Lee General Counsel E-mail: legal@vince.com</p>	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p> <p>John Salmas (LSO#42336B) Tel: 416.863.4737 E-mail: john.salmas@dentons.com</p> <p>Mark A. Freake (LSO #63656H) Tel: 416.863.4456 E-mail: mark.freake@dentons.com</p> <p>Larry Nevsky Tel: 416.863.4612 E-mail: larry.nevsky@dentons.com <i>Counsel for Kering Americas, Inc.</i></p>
<p>DENTONS CANADA LLP 15th Floor, Bankers Court 850 – 2nd Street SW Calgary, Alberta T2P 0R8</p> <p>Afshan Naveed Tel: 403.268.7015 E-mail: afshan.naveed@dentons.com <i>Counsel for Alight Solutions LLC</i></p>	<p>STIKEMAN ELLIOTT LLP 5300 Commerce Court West 199 Bay Street Toronto, Canada M5L 1B9</p> <p>Danny Duy Vu Tel: 514.397.6495 E-mail: ddvu@stikeman.com <i>Lawyers for Richemont Canada Inc. and Peter Millar LLC</i></p>

<p>GOWLING WLG (CANADA) LLP 550 Burrard St. #2300 Vancouver, BC V6C 2B5</p> <p>Jonathan Ross Tel: 604.891.2778 E-mail: Jonathan.Ross@gowlingwlg.com</p> <p><i>Counsel to Yurman Retail Canada Corporation</i></p>	<p>SUPREME MUNSINGWEAR CANADA INC. AND SUPREME INTERNATIONAL LLC</p> <p>Robert Cantillo Director of Credit Ops Tel: 305.873.1004 E-mail: Robert.Cantillo@Pery.com</p> <p>Mayra Ortega AR Manager Tel: 305.873.1444 E-mail: Mayra.Ortega@Pery.com</p>
<p>MCMILLAN LLP 1000, Sherbrooke St. West, Suite 2700 Montreal (Quebec) H3A 3G4</p> <p>Emile Catimel-Marchand Tel: 514.987.5031 E-mail: emile.catimel-marchand@mcmillan.ca</p> <p><i>Counsel to The CIT Group/Commercial Services, Inc.</i></p>	<p>THE CIT GROUP/COMMERCIAL SERVICES, INC. 201 South Tryon Street, 7th Floor Charlotte, North Carolina 28202</p> <p>Robert W. Franklin Assistant Chief Counsel Tel: 704.339.2975 E-mail: Robert.Franklin@firstcitizens.com</p>
<p>MILLER THOMSON LLP Scotia Plaza 40 King Street West, Suite 5800 P.O. Box 1011 Toronto, ON Canada M5H 3S1</p> <p>Craig A. Mills Tel: 416.595.8596 E-mail: cmills@millerthomson.com</p> <p><i>Counsel to Birkenstock Canada Ltd.</i></p>	<p>VESTIS FASHION GROUP INC. 177 West 6th Avenue Vancouver, BC V5Y 1K3</p> <p>Mike B. Smith Tel: 604.257.2330 E-mail: mike.smith@vestisfashion.com</p>
<p>PENGUIN RANDOM HOUSE CANADA, LIMITED 320 Front Street West, Suite 1400 Toronto, ON M5V 3B6</p> <p>Anne Mink Credit Representative Tel: 410.386.7424 E-mail: amink@penguinrandomhouse.com</p>	<p>SAUL EWING LLP Centre Square West 1500 Market Street, 38th Floor Philadelphia, PA 19102-2186</p> <p>Adam H. Isenberg Tel: 215.972.8662 E-mail: adam.isenberg@saul.com</p> <p><i>Counsel to Longchamp Canada Inc.</i></p>

<p>WELLS FARGO BANK, N.A Bankruptcy Administration P. O. Box 13708 Macon, GA 31208-3708</p> <p>Christine R. Etheridge Loan Workout Specialist Bankruptcy Recovery Department E-mail: Christine.r.etheridge@wellsfargo.com</p>	<p>VONWIN CAPITAL MANAGEMENT, L.P. 80 West 40th Street, 3rd Floor New York, NY 10018 United States</p> <p>Austin Viny Senior Analyst Tel: 212.889.3088 E-mail: av@vonwincapital.com</p>
<p>CHUBB INSURANCE 199 Bay Street #2500 Toronto, ON, M5L 1E2</p> <p>888 SW 5th Avenue Portland, OR 97204</p> <p>Arletta Nytko Tel: 647.798.3573 E-mail: arletta.nytko@chubb.com</p> <p>Amanda McDonnell Tel: 503.294.5452 E-mail: amanda.mcdonnell@chubb.com</p>	<p>AON 425 Market Street Suite #2800 San Francisco, CA 94105</p> <p>Jessy Kyle Tel: 415.264.8029 E-mail: jessica.kyle@aon.com</p>
<p>ITALFOODS INC. 266 Westbrook Rd. Carp, ON K0A 1L0</p> <p>Domenic Scanga Tel: 613.831.4446 E-mail: dscanga@italfoods.ca</p> <p>Sarah Conrad E-mail: sarah@italfoods.ca</p>	<p>MOOSE KNUCKLES 225 rue Chabanel St. Ouest/West Bur./Suite 300 Montréal, QC H2N 2C9</p> <p>Daniel Weinberger Tel: 514-375-7346 Email: Daniel@mooseknuckles.com</p>

Landlords:

<p>TORYS LLP 79 Wellington Street West, Suite 3300, Toronto, ON M5K 1N2</p> <p>David Bish Tel: 416.865.7353 E-mail: dbish@torys.com</p> <p>Adam Slavens Tel: 416.865.7333 E-mail: aslavens@torys.com</p> <p><i>Lawyers to Cadillac Fairview for Store 830 (Nordstrom Chinook Centre, 6455 Macleod Trail, Calgary, AB), Store 831 (Nordstrom Rideau Centre, 50 Rideau St, Ottawa, ON), Store 832 (Nordstrom Pacific Centre, 799 Robson St, Vancouver, BC), Store 833 (Nordstrom Sherway Gardens, 25 The West Mall, Etobicoke, ON), and Store 835 (Nordstrom Toronto Eaton Centre, 260 Yonge St., Toronto, ON)</i></p>	<p>THORNTON GROUT FINNIGAN LLP 100 Wellington Street West, Suite 3200 Toronto, ON M5K 1K7</p> <p>D.J. Miller Tel: 416.304.0559 E-mail: djmiller@tgf.ca</p> <p><i>Lawyers to Oxford Properties Group for Store 834 (Nordstrom Yorkdale Shopping Centre, located at 3401 Dufferin Street, Toronto, ON)</i></p>
<p>BLANEY MCMURTRY LLP 1500 – 2 Queen Street East Toronto, ON M5C 3G5</p> <p>John C. Wolf Tel: 416.593.2994 E-mail: jwolf@blaney.com</p> <p>David T. Ullmann Tel: 416.596.4289 E-mail: dullmann@blaney.com</p> <p>Brendan Jones Tel: 416.593.2997 E-mail: bjones@blaney.com</p> <p><i>Counsel to 2725312 Canada Inc., 2973758 Canada Inc. and Willowbrook Langley Holdings Inc.</i></p>	<p>2725312 CANADA INC., 2973758 CANADA INC., and WILLOWBROOK LANGLEY HOLDINGS INC. bcIMC Realty Corporation c/o QuadReal Property Group Limited Partnership Suite 800, 666 Burrard Street Vancouver, BC V6C 2X8</p> <p>Larissa Jacobson-Rooke Vice President, Retail Leasing E-mail: larissa.jacobson@quadreal.com</p> <p><i>Landlord to Store 840 (Nordstrom Rack Willowbrook Centre, 19705 Fraser Hwy, Langley, B.C.)</i></p>

<p>CAMELINO GALESSIERE LLP 65 Queen St W, Suite 440 Toronto, ON M5H 2M5</p> <p>Linda Galessiere Tel: 416.306.3827 E-mail: lgalessiere@cglegal.ca</p> <p>Gustavo F. Camelino Tel: 416.306.3834 E-mail: gcamelino@cglegal.ca</p> <p><i>Lawyers to Ivanhoé Cambridge for Store 841 (Nordstrom Rack Vaughan Mills, 1 Bass Pro Mills Dr., Vaughan, ON); Orlando Corporation for Store 843 (Nordstrom Rack Heartland Town Centre, 788 Boyer Blvd, Mississauga, ON); and 6914861 Canada Inc. for Store 846 (Nordstrom Rack Deerfoot Meadows, 277 - 8180 11th Street SE, Calgary, AB)</i></p>	<p>WITTEN LLP Suite 2500, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, AB T5J 3N6</p> <p>Howard J. Sniderman Tel: 780.441.3203 E-mail: hsniderman@wittenlaw.com</p> <p><i>Lawyers to Cameron Corporation and Canadian Property Holdings (Alberta) Inc. for Store 842 (Nordstrom Rack South Edmonton Common, 1910-102 Street NW, Edmonton, AB)</i></p>
<p>FIRST CAPITAL HOLDINGS (ONTARIO) CORPORATION c/o First Capital Asset Management ULC 85 Hanna Avenue, Suite 400 Toronto, ON M6H 3S3</p> <p>55 Avenue Road, Suite 2200 – East Offices Toronto, ON M5R 3L2</p> <p>Kirryn Hashmi Director, Senior Legal Counsel E-mail: Kirryn.Hashmi@fcr.ca <i>Landlord to Store 844 (Nordstrom Rack One Bloor, 731 Yonge St., Toronto, ON)</i></p>	<p>TORYS LLP 79 Wellington Street West, Suite 3300, Toronto, ON M5K 1N2</p> <p>Scott A. Bomhof Tel: 416.865.7370 E-mail: sbomhof@torys.com</p> <p><i>Lawyers to First Capital Holdings (Ontario) Corporation for Store 844 (Nordstrom Rack One Bloor, 731 Yonge St., Toronto, ON)</i></p>

<p>ORLANDO CORPORATION 6205 Airport Road, 5th Floor Mississauga, ON L4V 1E3</p> <p>Daniel Kolanko Legal Counsel E-mail: kolankod@orlandocorp.com</p> <p>Louis Pilla Legal Counsel E-mail: pillal@orlandocorp.com</p> <p><i>Landlord to Store 843 (Nordstrom Rack Heartland Town Centre, 788 Boyer Blvd, Mississauga, ON)</i></p>	<p>BELL BAKER LLP Suite 700, 116 Lisgar Street Ottawa, ON K2P 0C2</p> <p>Scott Pommerville E-mail: spommerville@bellbaker.com Tel: 613.237.3448</p> <p><i>Lawyers to 1221986 Ontario Inc. for Store 845 (Nordstrom Rack Ottawa Train Yards, 100-223 Colonnade Road South, Ottawa, ON)</i></p>
<p>MANN LAWYERS LLP 300-11 Holland Avenue Ottawa, ON K1Y 4S1</p> <p>Brett Hodgins E-mail: brett.hodgins@mannlawyers.com Tel: 613.722.1500</p> <p><i>Lawyers to 1221986 Ontario Inc. for Store 845 (Nordstrom Rack Ottawa Train Yards, 100-223 Colonnade Road South, Ottawa, ON)</i></p>	<p>1221986 ONTARIO INC. Ottawa Train Yards Inc. 100-223 Colonnade Road South Ottawa, ON K2E 7K3</p> <p>Peter Dent E-mail: peterdent@controlex.ca</p> <p>Susan Dent E-mail : sdent@controlex.ca</p> <p><i>Landlord to Store 845 (Nordstrom Rack Ottawa Train Yards, 100-223 Colonnade Road South, Ottawa, ON)</i></p>

Ministries / Regulatory Authorities:

<p>DEPARTMENT OF JUSTICE CANADA Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1</p> <p>Fax: 416.973.0810 E-mail: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</p> <p>Edward Park E-mail: edward.park@justice.gc.ca</p> <p>Kevin Dias E-mail: kevin.dias@justice.gc.ca</p>	<p>MINISTRY OF FINANCE (ONTARIO) Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5</p> <p>E-mail: insolvency.unit@ontario.ca</p>
<p>CANADA REVENUE AGENCY 1 Front Street West Toronto, ON M5J 2X6</p> <p>Fax: 416.964.6411</p> <p>Pat Confalone Tel: 416.954.6514 E-mail: pat.confalone@cra-arc.gc.ca</p>	<p>MINISTRY OF JUSTICE AND SOLICITOR GENERAL (ALBERTA) Legal Services 2nd Floor, Peace Hills Trust Tower 10011 – 109 Street Edmonton, AB T5J 3S8</p> <p>Fax: 780.427.2789</p> <p>General Enquiries: Tel: 780.427.2711 E-mail: ministryofjustice@gov.ab.ca</p>
<p>MINISTRY OF THE ATTORNEY GENERAL (BRITISH COLUMBIA) Legal Services Branch, Revenue & Taxation PO Box 9280 Stn Prov Govt Victoria, BC V8W 9J7</p>	

E-MAIL DISTRIBUTION LIST:

tsandler@osler.com; jdacks@osler.com; mcalvaruso@osler.com; mdick@osler.com;
 jkanji@osler.com; tsun@osler.com; hdavis@osler.com; smonahan@osler.com;
 dmcintosh@alvarezandmarsal.com; ahutchens@alvarezandmarsal.com;
 nfennema@alvarezandmarsal.com; srushton@alvarezandmarsal.com;
 cgood@alvarezandmarsal.com; SUrsel@upfhlaw.ca; KEnsslen@upfhlaw.ca;
 ehomes@upfhlaw.ca; rdefazio@upfhlaw.ca; struemnercaron@upfhlaw.ca; boneill@goodmans.ca;
 bwiffen@goodmans.ca; aharms@goodmans.ca; akauffman@fasken.com; dricher@fasken.com;
 harvey@chaitons.com; george@chaitons.com; grubenstein@goodmans.ca;
 jshaffer@longviewcomms.ca; lshavrnich@emkay.com; s.campara@goldengoose.com;
 s.merati@goldengoose.com; vincenzo.roberto@goldengoose.com;
 l.boscaino@goldengoose.com; matt.rossetti@adidas.com; dbish@torys.com;
 aslavens@torys.com; djmiller@tgf.ca; larissa.jacobson@quadreal.com; lgalessiere@cglegal.ca;
 gcamelino@cglegal.ca; hsniderman@wittenlaw.com; Kirryn.Hashmi@fcr.ca;
 sbomhof@torys.com; kolankod@orlandocorp.com; pillal@orlandocorp.com;
 peterdent@controlex.ca; sdent@controlex.ca; pat.confalone@justice.gc.ca;
 insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; ministryofjustice@gov.ab.ca;
 hbmarchand@mccarthy.ca; fatoupin@mccarthy.ca; dinah.choi@drmartens.com;
 belberg@amsbizlaw.com; aschindler@weycogroup.com; vmontes@weycogroup.com;
 pcorney@millerthomson.com; dward@millerthomson.com; mwright@wrighthenry.ca;
 Jwolf@blaney.com; dullmann@blaney.com; bjones@blaney.com; Brian@sica.ca;
 william@sica.ca; sbabe@airdberlis.com; repstein@airdberlis.com; mlici@airdberlis.com;
 challaday@mccarthy.ca; stanvir@mccarthy.ca; spommerville@bellbaker.com;
 brett.hodgins@mannlawyers.com; rchoi@just-fides.com; rsorce@byredo.com;
 albert.coldecarrera@puig.es; msabony@milfac.com; bmachowsky@milfac.com;
 jlitt@milfac.com; Edward.Schnitzer@wbd-us.com; Michael.Nowina@bakermckenzie.com;
 jcarhart@millerthomson.com; mfaheim@millerthomson.com;
 jeffrey.a.chadwick@wellsfargo.com; jdietrich@cassels.com; msassi@cassels.com;
 linc.rogers@blakes.com; jake.harris@blakes.com; MCappa@walkerind.com;
 lwilliams@mccarthy.ca; abowron@mccarthy.ca; sdanielisz@mccarthy.ca; legal@vince.com;
 john.salmas@dentons.com; mark.freak@dentons.com; larry.nevsky@dentons.com;
 afshan.naveed@dentons.com; ddvu@stikeman.com; Jonathan.Ross@gowlingwlg.com;
 Robert.Cantillo@Pery.com; Mayra.Ortega@Pery.com; emile.catimel-marchand@mcmillan.ca;
 Robert.Franklin@firstcitizens.com; cmills@millerthomson.com; rclark@bridgehouselaw.ca;
 amink@penguinrandomhouse.com; adam.isenberg@saul.com;
 Christine.r.etheridge@wellsfargo.com; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca;
 av@vonwincapital.com; arletta.nytko@chubb.com; amanda.mcdonnell@chubb.com;
 jessica.kyle@aon.com; edward.park@justice.gc.ca; kevin.dias@justice.gc.ca;
 dscanga@italfoods.ca; sarah@italfoods.ca; mike.smith@vestisfashion.com;
 Daniel@mooseknuckles.com

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

APPLICANTS

TABLE OF CONTENTS

<u>Tab</u>	<u>Description</u>
1.	Notice of Motion, dated December 2, 2024
2.	Affidavit of Misti Heckel, sworn December 2, 2024
	A. Exhibit "A" – Seventh Heckel Affidavit (without exhibits)
	B. Exhibit "B" – Eighth Heckel Affidavit (without exhibits)
	C. Exhibit "C" – Ninth Heckel Affidavit (without exhibits)
	D. Exhibit "D" – Sample Communication Sent to Creditors
3.	Draft Stay Extension Order

TAB 1

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

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

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

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

APPLICANTS

**NOTICE OF MOTION
(Motion for Stay Extension)**

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 December 9, 2024, at 2:00 p.m. (ET), or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- ☐ In writing
- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

<https://ca01web.zoom.us/j/65320507233?pwd=b3NoOWJ4ZXhjVFhjdHhhOU9GZGpTUT09>

THE MOTION IS FOR

1. An Order substantially in the form attached at Tab 3 of the Motion Record, among other things, extending the Stay Period¹ until and including June 30, 2025; and
2. Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

1. On March 2, 2023, the Applicants were granted protection under the CCAA pursuant to an Initial Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The Initial Order extended the benefits and authorizations of the Initial Order to Nordstrom Canada Leasing LP (together with the Applicants, the “**Nordstrom Canada Entities**”);
2. The Initial Order, among other things: (i) appointed Alvarez & Marsal Canada Inc. as monitor (the “**Monitor**”) in these CCAA proceedings; (ii) granted an initial stay of proceedings against the Nordstrom Canada Entities, the Monitor, and their respective employees, directors, advisors, officers, and representatives until March 12, 2023 (the “**Stay Period**”); (iii) granted a Co-Tenancy Stay; (iv) granted the Parent Stay; and (v) approved the creation of an Employee Trust and appointed Ursel Phillips Fellows Hopkinson LLP as Employee Representative Counsel;

¹ Capitalized terms not otherwise defined have the meanings given to them in the Affidavit of Misti Heckel sworn December 2, 2024 or the Consolidated Plan of Compromise and Arrangement dated December 13, 2023 (as amended, the “**Plan**”).

- 3 -

3. On March 10, 2023, the Court granted an Amended and Restated Initial Order which, among other things: (i) extended the Stay Period and the Parent Stay to March 20, 2023; and (ii) approved a key employee retention plan and granted a related KERP Charge;

4. On March 20, 2023, the Court granted an Order, which, among other things: (i) authorized the Nordstrom Canada Entities to conduct the Liquidation Sale, with the assistance of the Consultant and in consultation with the Monitor, in order to maximize the value of merchandise, furnishings, trade fixtures, and equipment for the benefit of the Nordstrom Canada Entities' stakeholders; and (ii) extended the Stay Period and the Parent Stay to June 30, 2023;

5. On May 30, 2023, the Court granted an order (the "**Claims Procedure Order**"), which, among other things: (i) approved a claims process for filing and determining Claims (as defined in the Claims Procedure Order) against the Nordstrom Canada Entities and the current and former Directors and Officers of the Nordstrom Canada Entities (the "**Claims Process**"); and (ii) extended the Stay Period and Parent Stay to September 29, 2023;

6. On September 27, 2023, the Court granted an order which, among other things, extended the Stay Period until and including December 22, 2023, approved the wind-up and termination of the Employee Trust and discharged the KERP Charge. The Nordstrom Canada Entities did not seek an extension of the Parent Stay, which expired in accordance with its terms on September 30, 2023;

7. On December 20, 2023, the Court granted an order which, among other things, accepted the filing of the Plan, authorized the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the "**Creditors' Meeting**"), provided for the manner of distribution to

- 4 -

the Affected Creditors of the Meeting Materials for the Creditors' Meeting and extended the Stay Period until and including April 5, 2024;

8. The Creditors' Meeting to vote on the Plan was held on March 1, 2024. According to the Monitor's tabulation, the Affected Creditors holding Proven Claims that were present in person or by proxy and voted (or were deemed to vote) at the Creditors' Meeting voted unanimously to approve the Resolution in favour of the Plan;

9. On March 19, 2024, the Court granted an order (the "**Sanction Order**") which, among other things, sanctioned the Plan and authorized the Nordstrom Canada Entities and the Monitor to implement it, and extended the Stay Period until and including June 28, 2024;

10. On April 25, 2024, following the receipt of notice from the Nordstrom Canada Entities that all conditions precedent under the Plan had been satisfied, the Monitor issued and served a copy of the Monitor's Plan Implementation Date Certificate and the Plan Implementation Date was deemed to have occurred;

11. On June 26, 2024, the Court granted an order (the "**June Stay Extension Order**") which extended the Stay Period until and including December 20, 2024;

12. Since the June Stay Extension Order was granted on June 26, 2024, the Nordstrom Canada Entities, in close consultation with the Monitor, have made significant progress in these CCAA proceedings, including by:

- (a) continuing to implement the Plan and engage in all activities and actions required in connection therewith;

- 5 -

- (b) working to resolve the small number of remaining creditor Claims in the Claims Process, including resolution of CRA matters; and
- (c) working to complete the orderly wind down of their business and these CCAA proceedings;

Stay Extension

13. The Applicants are seeking to extend the Stay Period to and including June 30, 2025²;
14. The Nordstrom Canada Entities have worked diligently to implement the Plan, which will provide finality and certainty in these CCAA proceedings in a timely manner and provide meaningful recoveries to Affected Creditors;
15. The initial distribution was in the amount of approximately 72% of Proven Claims of Affected Creditors (other than Other Priority Claim Creditors, Convenience Class Creditors and Supporting Rack Landlords). Based on the progress made to date in these CCAA proceedings, it is currently anticipated that Affected Creditors will receive a total distribution of between 78% to 80% of their Proven Claims.
16. An extension of the Stay Period is necessary to permit the Nordstrom Canada Entities to continue to implement the Plan, resolve the remaining Claims in the Claims Process including the CRA Marker Claim, make additional distributions to Affected Creditors, including the Final Distribution, and prepare for the termination of these CCAA proceedings;

² The Applicants are no longer seeking to extend the Co-Tenancy Stay included in the Initial Order in light of the status of these CCAA proceedings.

- 6 -

17. The Nordstrom Canada Entities have sufficient cash resources in the Administrative Reserve created pursuant to the Plan to continue their wind down through to June 30, 2025;

18. The Nordstrom Canada Entities currently intend to come back to Court before the expiry of the extended Stay Period to seek a Discharge and Termination Order;

19. The Monitor supports the request to extend the Stay Period;

20. The Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down as part of these CCAA proceedings;

Other Grounds

21. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

22. 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; and

23. Such further and other grounds as the lawyers may advise.

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

24. The affidavit of Misti Heckel sworn December 2, 2024;

25. The Eleventh Report of the Monitor, to be filed; and

- 7 -

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

December 2, 2024

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923

Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665

Email: mcavaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725

Email: mdick@osler.com

Lawyers for the Applicants

TO: **SERVICE LIST**

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

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

TAB 2

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

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

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

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

APPLICANTS

**AFFIDAVIT OF MISTI HECKEL
(Sworn December 2, 2024)**

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 ("**NCL**" or "**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**" or the "**Plan Sponsor**"), 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

- 2 -

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 the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective 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 an order, among other things, extending the Stay Period until and including June 30, 2025.

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

5. This affidavit is organized into the following sections:

A.	Background	2
B.	Update on the CCAA Proceedings	5
(a)	Implementation of the Plan	5
(b)	Termination of Employee Trust	6
(c)	Lease Monetization Transactions	6
(d)	Claims Process	7
(e)	Other Plan Matters	9
(f)	Updated Recovery Analysis	10
C.	Extension of the Stay Period	11

A. Background

6. The background to these CCAA proceedings and an extensive description of the Nordstrom Canada Entities' Consolidated Plan of Compromise and Arrangement dated December 13, 2023 (the "**Plan**") are set out in my affidavit sworn December 13, 2023 (the "**Seventh Heckel**

- 3 -

Affidavit”) and my affidavit sworn March 8, 2024 (the “**Eighth Heckel Affidavit**”). The Seventh Heckel Affidavit (without exhibits) and the Eighth Heckel Affidavit (without exhibits) are attached as **Exhibits “A”** and **“B”** to this affidavit.

7. On December 20, 2023, the Court granted the Meeting Order¹, which, among other things, accepted the filing of the Plan, authorized the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”), provided for the manner of dissemination to the Affected Creditors of the Meeting Materials for the Creditors’ Meeting, and extended the Stay Period until and including April 5, 2024.

8. The Creditors’ Meeting to vote on the Plan was held on March 1, 2024. The Nordstrom Canada Entities achieved the Required Majority of votes needed to approve the Plan. According to the Monitor’s tabulation, the Affected Creditors holding Proven Claims that were present in person or by proxy and voted (or were deemed to vote) at the Creditors’ Meeting voted unanimously to approve the Resolution in favour of the Plan.

9. On March 19, 2024, the Court granted an order (the “**Sanction Order**”) which, among other things, sanctioned the Plan and authorized the Nordstrom Canada Entities and the Monitor to implement it, and extended the Stay Period until and including June 28, 2024.

10. On April 25, 2024, following its receipt of notice from the Nordstrom Canada Entities that all conditions precedent to Plan implementation had been fulfilled, the Monitor caused the

¹ Capitalized terms not otherwise defined in this affidavit have the meanings given to them in the Seventh Heckel Affidavit, the Eighth Heckel Affidavit, the Ninth Heckel Affidavit (defined below) or the Plan, as applicable.

- 4 -

Monitor's Plan Implementation Date Certificate to be provided to the Nordstrom Canada Entities, served on the Service list, filed with the Court, and posted on the Monitor's Website.

11. On June 26, 2024, the Court granted an order (the "**June Stay Extension Order**") which extended the Stay Period until and including December 20, 2024. A description of the steps taken by the Nordstrom Canada Entities to implement the Plan from March 2024 to June 2024, including the Initial Distribution, fulfilment of the conditions precedent under the Plan, and the creation of accounts (as required by the Plan), is described in my affidavit sworn June 19, 2024 (the "**Ninth Heckel Affidavit**"). The Ninth Heckel Affidavit (without exhibits) is attached as **Exhibit "C"** to this affidavit.

12. Since the June Stay Extension Order was granted on June 26, 2024, the Nordstrom Canada Entities, in close consultation with the Monitor, have made significant progress in these CCAA proceedings, including by:

- (a) continuing to implement the Plan and engage in all activities and actions required in connection therewith;
- (b) working to resolve the small number of remaining creditor Claims in the Claims Process, including resolution of CRA matters; and
- (c) working to complete the orderly wind down of their business and these CCAA proceedings.

B. Update on the CCAA Proceedings**(a) Implementation of the Plan**

13. As described in the Ninth Heckel Affidavit, the Initial Distribution Date occurred on May 15, 2024. The initial distribution was in the amount of approximately 72% of Proven Claims of Affected Creditors (other than Other Priority Claim Creditors, Convenience Class Creditors and Supporting Rack Landlords).

14. Pursuant to section 6.11 of the Plan, all claims for undeliverable or uncashed distributions in respect of Proven Claims must be made no later than four months following the Initial Distribution Date, after which date the Claims of such Creditor with respect to such unclaimed or uncashed distributions are forever discharged and barred, and the Cash amount held by Nordstrom Canada in relation to such Claims is to be returned to the Consolidated Cash Pool Account. The Monitor and the Nordstrom Canada Entities have continued to make reasonable attempts to contact Creditors to ensure distribution cheques are cashed in a timely manner. An initial communication was sent to Creditors who had not cashed their cheques on July 15, 2024, with follow up communications sent on July 25, 2024, and August 15, 2024. An example of the communications sent to Creditors regarding cashing distribution cheques is attached as **Exhibit “D”** to this affidavit. The final communication was sent out as of August 30, 2024. As of the date of this affidavit, five Creditors with Claims totaling approximately \$108,000 did not cash their distribution cheques. In accordance with the Plan, the Cash that would have been payable to those Affected Creditors will be considered “undeliverable distributions” and will be returned to the Consolidated Cash Pool Account.

- 6 -

(b) Termination of Employee Trust

15. As described in the Eighth and Ninth Heckel Affidavits, following the Monitor's delivery of the Employee Trust Termination Certificate on December 28, 2023, the Trustee and the Administrator engaged MNP LLP to prepare the tax return and related reporting required as a result of the termination of the Employee Trust.

16. As described in the Ninth Heckel Affidavit, I have been advised by the Monitor that as of April 2, 2024, the Monitor and MNP LLP filed all tax forms relating to the Employee Trust, and the tax owing was paid. The Monitor is currently awaiting a clearance certificate from the CRA, and upon receipt any remaining balance in the Employee Trust will be returned to Nordstrom US in accordance with its terms.

(c) Lease Monetization Transactions

17. As described in the Eighth Heckel Affidavit, the transactions for the Vaughan Mills and Deerfoot Meadows Nordstrom Rack Leases closed on February 1, 2024, as contemplated, and the Monitor delivered the Monitor's Certificate confirming the completion of the transactions.

18. As a result of adjustments made on closing, there was an additional payment by Winners LP to the Nordstrom Canada Entities of approximately \$229,000. This resulted in net proceeds of approximately \$408,000 to Canada Leasing LP, net of withholding taxes of \$175,000, which were withheld by Winners LP's counsel and remitted to the CRA. Pursuant to clearance certificates received by the Nordstrom Canada Entities on September 11 and 19, 2024, the CRA confirmed there was no tax liability. Once the CRA has paid the withheld amount to Canada Leasing LP, the

- 7 -

funds will be contributed to the Consolidated Cash Pool Account to be distributed to Affected Creditors.

19. On August 20, 2024, the Nordstrom Canada Entities also received a clearance certificate from the CRA with respect to \$294,367 that was withheld by counsel to G2MC Inc. from the G2MC Transaction, confirming there was no tax liability. Those funds have since been paid over to Canada Leasing LP and contributed to the Consolidated Cash Pool Account to be distributed to Affected Creditors.

(d) Claims Process

20. Since the swearing of the Ninth Heckel affidavit, the Nordstrom Canada Entities and the Monitor have continued to work to resolve the small number of remaining Claims in the Claims Process. All Employee Claims were resolved prior to the granting of the June Stay Extension Order.

21. As described in the Ninth Heckel Affidavit, the Disputed Claims Reserve was initially set at approximately \$6.2 million. Following the finalization of the Disputed Claims Reserve on April 18, 2024, certain Disputed Claims became Proven Claims prior to the Initial Distribution Date. Pursuant to the Plan, on May 3, 2024, \$703,052.02 was transferred from the Disputed Claims Reserve to the Consolidated Cash Pool to be included in the initial distribution. Since the swearing of the Ninth Heckel Affidavit, an additional \$229,000 has been transferred from the Disputed Claims Reserve to the Consolidated Cash Pool, representing Disputed Claims that became Proven Claims. Currently, the Disputed Claims Reserve contains approximately \$5.2 million. As Disputed

Claims are resolved, the remaining balance of the Disputed Claims Reserve will be transferred to the Consolidated Cash Pool for distribution to Affected Creditors.

22. Since the swearing of the Ninth Heckel Affidavit, the Nordstrom Canada Entities have continued to actively work cooperatively with the CRA, in consultation with the Monitor, to reconcile the CRA Marker Claim with the Nordstrom Canada Entities' accounts and resolve outstanding audits for harmonized sales tax ("HST") compliance under the *Excise Tax Act* (R.S.C., 1985, c. E-15) (the "ETA"). The parties have agreed on pre- and post-filing amounts for each of the Nordstrom Canada Entities. The remaining outstanding items include resolving a Claim amount for HST, which represents the portion of the CRA Marker Claim related to disallowed ITC claims in respect of accounts payable. The parties have also been preparing an audit letter that will set out the final agreed position of the CRA on all tax matters once the CRA Marker Claim is resolved, with the intention that such letter will ultimately form part of a final settlement of all CRA Claims with the Department of Justice on behalf of the CRA.

23. The CRA Marker Claim is the principal remaining matter to be resolved in these CCAA proceedings. The parties have made significant progress with respect to this issue, and the Nordstrom Canada Entities anticipate that matters with the CRA, and all other outstanding matters will be resolved in the proposed extended Stay Period.

24. Once the CRA Marker Claim is resolved, the Nordstrom Canada Entities intend to proceed with the Final Distribution under the Plan and seek an Order terminating these CCAA proceedings. The Nordstrom Canada Entities and the Monitor remain of the view that the CRA Marker Claim, once resolved, will not materially affect the recoveries analysis provided to Affected Creditors in connection with the Plan, which has been updated as set out below.

(e) Other Plan Matters

25. As described in the Seventh Heckel Affidavit, pursuant to the Plan, from and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of NCL, is required to make a distribution to each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution. The distributions to the FLS Landlords would be inclusive of HST. Under the terms of the FLS Landlord Settlement Agreements, the non-HST portion of such distributions are to be paid by the FLS Landlords to Nordstrom US. The HST portion of such distributions entitle NCL to claim and receive ITCs under the ETA of an equivalent amount. The FLS Landlord Settlement Agreements further provide that an amount equal to such ITCs (when the ITCs are received by NCL) are to be distributed by NCL to the FLS Landlords. These distributions would be treated in the same manner as the distributions described above, such that the non-HST portion would be paid to Nordstrom US and the HST portion would generate further ITCs. This cycle of generating ITC payments to NCL and further distributions to the FLS Landlords would continue until the value of the ITC amounts payable to NCL in respect of a distribution is negligible, such that there would be no benefit from claiming them. It is anticipated that it may take approximately four to six distribution cycles, equating to several months, in order to reach this point. The Nordstrom Canada Entities are working with the CRA and the Department of Justice in the hopes of agreeing upon a process to expedite this timeline in order to avoid a delay to the termination of these CCAA proceedings. The duration of the proposed extended Stay Period was also chosen in light of the anticipated timing of the cycling of ITCs.

(f) Updated Recovery Analysis

26. Pursuant to the Plan, on the Final Distribution Date, once there are no remaining Disputed Claims and any Cash remaining in the Administrative Reserve Account (after the payment of any final Administrative Reserve Costs) and the Disputed Claims Reserve Account has been transferred to the Consolidated Cash Pool Account, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, will, among other things, distribute to the Affected Creditors with Proven Claims an amount equal to each such Affected Creditor's respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of each such Affected Creditor's Proven Claim.

27. The Administrative Reserve was originally set at \$5.6 million. As of November 29, 2024, there is approximately \$4.7 million remaining in the Administrative Reserve Account. Further, as set out above, there is approximately \$5.2 million remaining in the Disputed Claims Reserve. The Nordstrom Canada Entities currently anticipate making a further distribution to Affected Creditors in the first quarter of 2025. The quantum of that distribution, and whether it will be the Final Distribution, will depend on the progress to be made, in particular, with the CRA to resolve the CRA Marker Claim and the Nordstrom Canada Entities and the Monitor being satisfied that all remaining Cash in the Disputed Claims Reserve can be transferred to the Consolidated Cash Pool for distribution to Affected Creditors.

28. The Nordstrom Canada Entities, in conjunction with the Monitor, have refreshed the recovery analysis that was described in the Ninth Heckel Affidavit. At that time, it was anticipated that Affected Creditors would receive a total distribution of between 72-75% of their Proven Claims. Based on the progress made to date in these CCAA proceedings, it is currently anticipated

that Affected Creditors will receive a total distribution of between 78% to 80% of their Proven Claims.

C. Extension of the Stay Period

29. The Initial Order granted a Stay Period until and including March 12, 2023. The Stay Period was extended to March 20, 2023, June 30, 2023, September 29, 2023, December 22, 2023, April 5, 2024, and June 28, 2024. The Stay Period was subsequently extended to December 20, 2024, pursuant to the June Stay Extension Order.²

30. The Applicants are seeking to extend the Stay Period up to and including June 30, 2025. The Applicants are no longer seeking to extend the Co-Tenancy Stay included in the Initial Order in light of the status of these CCAA proceedings. As set out above, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings since the granting of the June Stay Extension Order. In particular, the Nordstrom Canada Entities have continued to work diligently to implement the Plan, which will provide finality and certainty in these CCAA proceedings in a timely manner and provide meaningful recoveries to Affected Creditors.

31. An extension of the Stay Period is necessary to permit the Nordstrom Canada Entities to continue to implement the Plan, resolve the remaining Claims in the Claims Process including the CRA Marker Claim, make additional distributions to Affected Creditors, including the Final Distribution, and prepare for the termination of these CCAA proceedings.

² The Initial Order also included a “Parent Stay” in favour of Nordstrom US that expired in accordance with its terms on September 30, 2023.

- 12 -

32. The Nordstrom Canada Entities and the Monitor are of the view that, based on the amount contained in the Administrative Reserve Account, the Nordstrom Canada Entities will have sufficient cash resources to continue their wind down through to June 30, 2025.

33. The Nordstrom Canada Entities currently intend to come back to Court before the expiry of the extended Stay Period to seek a Discharge and Termination Order.

34. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down through the implementation of the Plan. I believe that the proposed extension of the Stay Period is in the best interests of the Nordstrom Canada Entities and their stakeholders. I am also informed by the Monitor that it supports the requested extension to the Stay Period.

SWORN BEFORE ME over
videoconference this 2nd day of December,
2024 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 of Toronto, in the
Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

HANNAH DAVIS
(LSO# 85047N)



MISTI HECKEL

This is **Exhibit “A”** referred to in the Affidavit of Misti Heckel
sworn December 2, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

|Court File No. CV-23-00695619-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

APPLICANTS

AFFIDAVIT OF MISTI HECKEL
(Sworn December 13, 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**" or "**NCL**") 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

- 2 -

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 the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective 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 an order, among other things:

- (a) accepting the filing of the Consolidated Plan of Compromise and Arrangement in respect of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”);
- (b) authorizing the Nordstrom Canada Entities to establish one class of Affected Creditors for the purpose of considering and voting on the Plan (the “**Unsecured Creditors’ Class**”);
- (c) authorizing the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”) to consider and vote on a resolution to approve the Plan, and approving the procedures to be followed with respect to the calling and conduct of the Creditors’ Meeting;

- 3 -

- (d) setting the date for the hearing of the Nordstrom Canada Entities' motion seeking sanction of the Plan should the Plan be approved by the required majority of Affected Creditors at the Creditors' Meeting; and
 - (e) extending the Stay Period (and by extension, the Co-Tenancy Stay) until and including April 5, 2024.
4. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.

5. This affidavit is organized into the following sections:

A.	Overview of the Plan	4
B.	Background	8
C.	Update on the CCAA Proceedings	14
(a)	Final Reconciliation of Liquidation Sale	14
(b)	Claims Process	15
(i)	Filed Claims	16
(ii)	Employee Claims	18
(iii)	Director and Officer Claims	19
(iv)	Intercompany Claims	20
(c)	Landlords	22
(i)	Lease Monetization and Transaction Process	23
(ii)	Settlement Agreements with Landlords of Nordstrom Full-Line Stores	25
(iii)	Settlement Agreements with Landlords of Nordstrom Rack Stores	29
(d)	Wind-Up and Termination of the Employee Trust	32
(e)	Letter Agreement with the CRA	34
D.	Development of the Plan	37
E.	The Plan	39
(a)	The Consolidated Plan	39
(b)	Classification of Creditors	41
(c)	Key Elements of the Plan	42
(d)	Treatment of Intercompany Claims	45
(e)	Distributions under the Plan	50
(f)	Plan Sponsor Releases and Landlord Guarantee Claims	54

- 4 -

	(i) The Plan Sponsor Support Agreement.....	58
	(g) Other Plan Matters	58
F.	The Proposed Meeting Order.....	61
	(a) Notification	62
	(b) Conduct of the Creditors' Meeting	62
	(c) Voting	63
	(d) Amendments to the Plan	67
	(e) Approval and Court Sanction of the Plan	67
G.	Extension of the Stay Period.....	68

A. Overview of the Plan

6. The Nordstrom Canada Entities, with the support of Nordstrom US as Plan Sponsor and the Monitor, have developed the Plan to present to the Affected Creditors. A copy of the Plan is attached as **Exhibit “A”**. All capitalized terms not otherwise defined herein have the meanings given to them in the Plan.

7. The Plan, should it be accepted by the Affected Creditors, approved by the Court and implemented in accordance with its terms, would represent the culmination of the controlled, orderly wind down of the Nordstrom Canada Entities with the support of Nordstrom US. The Plan provides for material recoveries for Affected Creditors with Proven Claims and efficient, near-term distributions to such Creditors. In developing the Plan, the Nordstrom Canada Entities have had extensive discussions and/or negotiations with Nordstrom US, the Monitor, and a number of other stakeholders. The Nordstrom Canada Entities have sought to achieve a fair and equitable balance in the Plan, while taking into consideration the interests of all stakeholders with an economic interest in these CCAA proceedings.

- 5 -

8. The Plan contemplates that a single class of Affected Creditors will consider and vote on the Plan. The Nordstrom Canada Entities propose that the Creditors' Meeting will be held virtually at 10:00 a.m. on March 1, 2024.

9. If approved, sanctioned, and implemented, the Plan will:

- (a) complete the controlled, orderly and timely wind down of the Nordstrom Canada Entities;
- (b) provide for a compromise and settlement of all Affected Claims and effect timely distributions as provided for in the Plan in respect of Proven Claims;
- (c) effect a release and discharge of all Affected Claims and of all claims proposed to be released pursuant to the Plan; and
- (d) effect a global resolution of the CCAA proceedings.

10. The Plan is being put forward by the Nordstrom Canada Entities on a consolidated basis with the expectation that, on balance, the Affected Creditors as a whole will derive a greater benefit from the implementation of the Plan than would result from a non-consolidated plan or results that could have been achieved in a bankruptcy of the Nordstrom Canada Entities.

11. Under the Plan, on the Initial Distribution Date:

- (a) each Other Priority Claim Creditor will receive a distribution in the full amount of its Other Priority Claim;

- 6 -

- (b) each Convenience Class Creditor will receive a distribution in the full amount of its Convenience Class Claim; and
- (c) each Affected Creditor with a Proven Claim will receive an initial distribution in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on that date, with further distributions to Affected Creditors to be made in accordance with the Plan, provided that the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date will be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement (defined below) with no further distributions to be made to the Supporting Rack Landlords under the Plan.

12. Based on the most up-to-date information from the Nordstrom Canada Entities and the Monitor, and subject to the caveats and limitations described below, the Nordstrom Canada Entities expect that all Affected Creditors will receive distributions of approximately 71% to 75% of their Affected Claims that are Proven Claims (as defined below).

13. I have been informed by the Monitor and believe that the Monitor will serve and file a report regarding the proposed Meeting Order before the Meeting Order hearing, which will include an illustrative estimated range of recovery analysis for Affected Creditors. The recovery analysis will necessarily be preliminary as there remain certain Claims that have not yet been finalized for distribution purposes and certain components of the analysis remain as estimates. However, based on the advanced state of the CCAA proceedings, the Nordstrom Canada Entities and the Monitor believe that the range of recovery set out in the immediately preceding paragraph will not

- 7 -

materially change. As set out in the proposed Meeting Order, no later than seven days before the date of the Creditors' Meeting, the Monitor will serve a report regarding the Plan on the Service List and promptly cause such report to be posted on the Monitor's Website (as defined below).

14. As described below, an essential component of the Plan is the involvement of Nordstrom US as Plan Sponsor. Nordstrom US is by far the largest single creditor of the Nordstrom Canada Entities. The Plan contemplates that Nordstrom US makes significant economic contributions to these CCAA proceedings, including by not recovering amounts in respect of certain Intercompany Claims, taking financial responsibility for the CRA NCH Assessments and making a direct and significant monetary contribution to the Plan. It will also continue to provide the necessary shared services that will enable the conclusion of the wind down as contemplated by the Plan.

15. As a result of these and other contributions, the Plan provides that the Plan Sponsor will receive a full and final release of matters relating to the Nordstrom Canada Entities, excluding with respect to the FLS Landlord Guarantee Claims. The Nordstrom Canada Entities believe that it is appropriate to include the release in favour of Nordstrom US in the Plan, as its contributions to these CCAA proceedings will result in materially higher and significantly accelerated recoveries for the Affected Creditors.

16. In accordance with the terms of the Initial Order, the FLS Landlord Guarantee Claims are excluded from the release in the Plan. Through constructive negotiation, the FLS Landlords and Nordstrom US have reached agreements, outside of the Plan, that resolve all FLS Landlord Guarantee Claims and that contractually release Nordstrom US from the FLS Landlord Guarantee Claims. These agreements also provided the framework for the resolution of the CCAA Lease

- 8 -

Claims (as defined below) in the CCAA proceedings, which were by far the largest third-party claims filed in the Claims Process (as defined below).

17. In order to provide clear and concise disclosure concerning the Plan to the Affected Creditors, the Nordstrom Canada Entities propose to include a letter to Affected Creditors as part of the Meeting Materials (the “**Letter to Creditors**”). It is contemplated that the Letter to Creditors will assist the Affected Creditors in their understanding and consideration of the Plan. A copy of the Letter to Creditors is attached as **Exhibit “B”**.

B. Background

18. On March 2, 2023 (the “**Filing Date**”), the Applicants were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Initial Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other benefits and authorizations of the Initial Order were extended to Canada Leasing LP.

19. In support of the Initial Order, I swore an affidavit dated March 1, 2023 (the “**Initial Heckel Affidavit**”), which described, among other things, the business and operations of the Nordstrom Canada Entities, the events leading to the Nordstrom Canada Entities’ insolvency, their urgent need for relief under the CCAA, and their intended liquidation and responsible and orderly wind down within these CCAA proceedings. A copy of the Initial Heckel Affidavit (without exhibits) is attached as **Exhibit “C”**. All previous affidavits that I have sworn in these CCAA proceedings can be found on the Monitor’s Website (as defined below).

- 9 -

20. Among other things, the Initial Order:

- (a) granted an initial stay of proceedings against the Nordstrom Canada Entities, the Monitor, and their respective employees, directors, advisors, officers and representatives acting in such capacities until March 12, 2023 (the “**Stay Period**”);
- (b) granted a “**Co-Tenancy 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 Nordstrom Canada stores were located that arise as a result of the making of the Initial Order for the Stay Period;
- (c) granted an initial stay of proceedings against Nordstrom US and its direct and indirect subsidiaries (other than the Nordstrom Canada Entities) until March 12, 2023, relating to claims in connection with any indebtedness, indemnity, liability or obligation of Nordstrom US in respect of obligations that are the primary liability of or related to the Nordstrom Canada Entities, including indemnities granted by Nordstrom US under any Canadian real property leases (the “**Parent Stay**”); and
- (d) approved the creation of an Employee Trust and appointed Ursel Phillips Fellows Hopkinson LLP as Employee Representative Counsel.

21. In accordance with the Initial Order, Alvarez & Marsal Canada Inc., in its capacity as monitor within these CCAA proceedings (the “**Monitor**”), established a website (<http://www.alvarezandmarsal.com/NordstromCanada>) to post information and documents

- 10 -

regarding these CCAA proceedings, including Orders, motion materials, Monitor's reports, and the service list (the "**Monitor's Website**").

22. On March 10, 2023, the Court granted an Amended and Restated Initial Order, among other things: (i) extending the Stay Period (including the Co-Tenancy Stay) and the Parent Stay to March 20, 2023; (ii) increasing the quantum of the Administration Charge and the Directors' Charge; (iii) increasing the quantum of pre-filing amounts the Nordstrom Canada Entities are authorized, but not required, to pay with the consent of the Monitor; and (iv) approving a key employee retention plan (the "**KERP**") and granting a related KERP Charge (as defined in the Amended and Restated Initial Order). A copy of the Amended and Restated Initial Order can be found on the Monitor's Website.

23. On March 20, 2023, the Court granted an order (the "**Sale Approval Order**") that, among other things:

- (a) approved an amended and restated consulting agreement between Nordstrom Canada and Canada Leasing LP (together, the "**Merchant**") and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC, Gordon Brothers Canada, ULC, Tiger Asset Solutions Canada, ULC and B. Riley Retail Canada ULC (together, the "**Consultant**") dated March 16, 2023 (the "**Consulting Agreement**");
- (b) approved sale guidelines (the "**Sale Guidelines**") for the orderly liquidation of Merchandise and FF&E (each as defined in the Sale Approval Order) at each of the

- 11 -

Merchant's stores through a "store closing", "everything must go", "everything on sale" or similar themed sale (the "**Liquidation Sale**");

- (c) authorized the Merchant, with the assistance of the Consultant, to undertake the Liquidation Sale in accordance with the terms of the Sale Approval Order, the Consulting Agreement, and the Sale Guidelines; and
- (d) extended the Stay Period (including the Co-Tenancy Stay) and the Parent Stay to June 30, 2023.

24. On March 22, 2023, Canada Leasing LP entered into a Consulting Services Agreement with Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") under which JLL was retained to support the potential sale, assignment, or transfer of the Nordstrom Canada Entities' Leases, among other things.

25. On May 30, 2023, the Court granted an order (the "**Claims Procedure Order**"), which, among other things:

- (a) approved a claims process for the identification, quantification, and resolution of Claims (as defined in the Claims Procedure Order) as against the Nordstrom Canada Entities and their respective current and former directors and officers;
- (b) established the Claims Bar Date and the Restructuring Period Claims Bar Date (each as defined in the Claims Procedure Order); and

- 12 -

- (c) extended the Stay Period (including the Co-Tenancy Stay) and Parent Stay to September 29, 2023.

26. On July 17, 2023, the Court granted two Approval and Vesting Orders (collectively, the **“Approval and Vesting Orders”**) which, among other things, approved the transactions contemplated by an Assignment and Assumption of Leases between Canada Leasing LP and Winners Merchants International L.P. (**“Winners LP”**) with respect to the Deerfoot Meadows and Vaughan Mills Nordstrom Rack Leases (the **“Winners Agreement”**), and an Assignment and Assumption of Lease between Canada Leasing LP and G2MC Inc. with respect to the Heartland Nordstrom Rack Lease (the **“G2MC Agreement”**).

27. On September 27, 2023, the Court granted an order (the **“September Stay Extension Order”**) which, among other things, extended the Stay Period (and by extension, the Co-Tenancy Stay) until and including December 22, 2023, approved the wind-up and termination of the Employee Trust and discharged the KERP Charge. The Nordstrom Canada Entities did not seek an extension of the Parent Stay, which expired in accordance with its terms on September 30, 2023.

28. Since the Stay Period was extended on September 27, 2023, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings, including, in close consultation with the Monitor, by:

- (a) completing the Final Reconciliation (as defined and described below) of all funds realized in the Liquidation Sale;

- 13 -

- (b) continuing to implement the Claims Process and working to resolve creditor Claims filed in the Claims Process;
- (c) working to effect the wind-up and termination of the Employee Trust;
- (d) reaching definitive agreements on (i) the Claims of Cadillac Fairview Corporation and its affiliates (collectively, “**Cadillac Fairview**”), the Landlord of five of the former Nordstrom full-line stores in Canada, in the CCAA estate and the claims associated with the indemnities granted by Nordstrom US to Cadillac Fairview in respect of the Cadillac Fairview Leases, and (ii) the Claims of Oxford Properties Group (“**Oxford**”), the Landlord of the former Nordstrom Yorkdale full-line store in Canada, in the CCAA estate and the claims associated with the indemnity granted by Nordstrom US to Oxford in respect of the Yorkdale Lease, in each case, to resolve such indemnity claims and to provide a framework for the resolution of the respective Claims in the CCAA estate;
- (e) reaching definitive agreements to resolve the Claims of the Nordstrom Rack Landlords whose Leases were disclaimed in the CCAA proceedings;
- (f) reaching an agreement with the Canada Revenue Agency with respect to the CRA NCH Assessments (described below); and
- (g) developing the Plan to be presented to the Affected Creditors for their consideration at the Creditors’ Meeting.

- 14 -

C. Update on the CCAA Proceedings

(a) Final Reconciliation of Liquidation Sale

29. Following the granting of the Sale Approval Order on March 20, 2023, the Liquidation Sale commenced on the morning of March 21, 2023, and continued in accordance with the Sale Approval Order until May 14, 2023, for Nordstrom Rack stores, and June 12, 2023, for Nordstrom full-line stores.

30. As described in my affidavit sworn September 20, 2023 (the “**Sixth Heckel Affidavit**”), under the terms of the Consulting Agreement, as consideration for its services, the Consultant was entitled to payment of a base fee equal to 1.5% of gross receipts from the sales of Merchandise¹ during the Sale term and 15% of the gross proceeds (net only of sales taxes) from the sales of FF&E. The Consultant was also entitled to payment of an additional 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 achieved, provided however, that no Additional Incentive Compensation would be earned or payable where the Gross Recovery Percentage² was less than 131%:

¹ Capitalized terms in this section not otherwise defined have the meanings given to them in my affidavit sworn March 14, 2023.

² 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.

- 15 -

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)

31. Pursuant to the Consulting Agreement, the Nordstrom Canada Entities and the Consultant, in consultation with the Monitor, were required to complete the final reconciliation and settlement of all revenues, costs and expenses with respect to the Liquidation Sale (the “**Final Reconciliation**”).

32. The Final Reconciliation is now complete. The Liquidation Sale generated total receipts of approximately \$103.7 million from the sale of the Nordstrom Canada Entities’ Merchandise, and \$7.8 million from the sale of the Nordstrom Canada Entities’ FF&E. The Nordstrom Canada Entities also earned approximately \$0.6 million, or 7.5% of the gross proceeds, from the sale of the Additional Consultant Goods. As consideration for its services, the Consultant was paid a base fee equal to 1.5% of gross receipts from Merchandise, equal to \$1.6 million, \$1.2 million from the sale of FF&E, and Additional Incentive Compensation of 1.2%, equal to \$1.2 million (as the Gross Recovery Percentage was between 137% and 139.999%), totaling \$4.0 million.

(b) Claims Process

33. As discussed above, the Court granted the Claims Procedure Order on May 30, 2023, which set the general Claims Bar Date for August 4, 2023. Prior to the launch of the Claims Process, the Nordstrom Canada Entities and the Monitor had commenced working with vendors to reconcile

- 16 -

the amounts of their Pre-Filing Claims. In addition, the Nordstrom Canada Entities identified and made available representatives with the appropriate knowledge and expertise to review the Nordstrom Canada Entities' records with respect to the Claims filed in the Claims Process. The Nordstrom Canada Entities and their counsel continue to meet with the Monitor weekly to discuss the status of the Claims Process and the efforts made to resolve creditor Claims in an efficient and streamlined manner.

34. As set out in the Claims Procedure Order, the Nordstrom Canada Entities, in consultation with the Monitor, have reviewed all Proofs of Claim and Notices of Dispute of Negative Notice Claim received in the Claims Process, and have communicated revisions, admittances or Notices of Revision or Disallowance to the vast majority of Claimants.

(i) Filed Claims

35. The Claims Procedure Order established a Claims Bar Date of August 4, 2023, for Pre-Filing Claims and Pre-Filing D&O Claims, and the later of: (i) 30 days after the date on which the Monitor sends a Negative Notice Claims Package or General Claims Package, as appropriate, with respect to a Restructuring Period Claim or Restructuring Period D&O Claim and (ii) August 4, 2023, for Restructuring Period Claims and Restructuring Period D&O Claims. A summary of the Proofs of Claim filed in the Claims Process prior to the Claims Bar Date and the Negative Notice Claims delivered by the Monitor to Claimants is provided below:

Claim Type	Number of Claims	Value of Claims
Landlord	12	\$647,599,929
Vendor	498	\$36,991,041

- 17 -

Concession Vendor	14	\$3,565,453
Government	2	\$116,677
Litigation	2	\$430,422
Employee	110	\$1,761,157
Other	13	\$5,418
Total Pre-Filing Claims	651	\$690,470,097

36. In addition, as of December 11, 2023, 69 Claims, totaling \$2,805,099, were filed after the Claims Bar Date, none of which included any D&O Claims (the “**Late Filed Claims**”). The Nordstrom Canada Entities and the Monitor have reconciled the majority of the Late Filed Claims and are in the process of reconciling the others. The Nordstrom Canada Entities and the Monitor have considered the status of the Late Filed Claims in the context of the CCAA proceedings, including the fact that Affected Creditors are being asked to consider the Plan at this time and Affected Creditor distributions have yet to be made. The Monitor, in consultation with the Nordstrom Canada Entities, has determined it will be using its discretion pursuant to paragraph 8 of the Claims Procedure Order to admit solely these Late Filed Claims received as of December 11, 2023 into the Claims Process, subject to validation and reconciliation of such Late Filed Claims. However, the Nordstrom Canada Entities do not intend to summarily admit any further Late Filed Claims. I understand that any Proofs of Claim received after December 11, 2023, and the circumstances surrounding such further Late Filed Claims, will be analyzed by the Monitor and the Nordstrom Canada Entities on an individual basis to determine if they should be admitted into the Claims Process, taking into account the advanced stage of the CCAA proceedings.

- 18 -

37. As of December 11, 2023, 597 Claims totaling \$684.6 million have been resolved. 123 Claims in the amount of \$8.7 million remain unresolved. The Nordstrom Canada Entities, with the assistance of the Monitor, are working to resolve these remaining Claims.

38. Four concession vendors have filed Claims in the Claims Process which would take priority over unsecured creditors. The Nordstrom Canada Entities, with the assistance of the Monitor, have resolved certain of these Claims, and certain of them are subject to ongoing discussions with claimants. The Plan provides that accepted priority claims of this type, which are included in the definition of “**Other Priority Claims**”, will be paid in full on the Initial Distribution Date from the Consolidated Cash Pool.

39. One of the Claims filed by a government entity is a “marker claim” filed by the Canada Revenue Agency (“**CRA**”) for any obligations owing by the Nordstrom Canada Entities to His Majesty the King in right of Canada, as represented by the Minister of National Revenue (the “**Minister**”), including any obligations related to the CRA NCH Assessments described below. It is not expected that the CRA “marker claim” will have a material effect on the projected unsecured creditor recoveries set out herein, assuming the implementation of the CRA Agreement described below.

(ii) Employee Claims

40. The Monitor delivered Negative Notice Claims to 95 employees totaling approximately \$1.3 million. A total of 15 employee and workplace-related claims (such claims, collectively the “**Employee Claims**”), totaling \$464,275 were filed by the Claims Bar Date. Of those Employee Claims, nine were Pre-Filing Claims totaling \$164,074, five were Restructuring Period Claims

- 19 -

totaling \$224,437, and one was a Pre-Filing and Restructuring Period Claim totaling \$75,763. The Nordstrom Canada Entities and the Monitor have reviewed the Proofs of Claim for all such Employee Claims.

41. The Nordstrom Canada Entities, through their counsel, have provided the Monitor with applicable documentation and information regarding the Employee Claims. Counsel for the Nordstrom Canada Entities have met with the Monitor and Employee Representative Counsel to review and discuss the Employee Claims filed by Employee Representative Counsel. Agreements in principle have been reached regarding eight Employee Claims, subject to execution of mutually agreeable documentation. The Nordstrom Canada Entities, in consultation with the Monitor, continue to assess the remaining Employee Claims and to engage with Employee Representative Counsel to discuss the status of the remaining Employee Claims and to canvass proposals for resolution in an effort to address the Employee Claims in an efficient and streamlined manner.

42. The Nordstrom Canada Entities, in consultation with the Monitor, will continue to engage with Employee Representative Counsel to establish a process and procedure for the determination of any Employee Claims that are not able to be resolved in a mutually agreeable manner.

(iii) Director and Officer Claims

43. Two Pre-Filing D&O Claims totaling \$311,000 were filed by the Claims Bar Date. Both of these D&O Claims have been disallowed in full and the time for the Claimant to object to the disallowance has passed. As a result, all potential D&O Claims have been barred and extinguished pursuant to the Claims Procedure Order.

- 20 -

(iv) **Intercompany Claims**

44. The Claims Procedure Order required the Monitor to review all Claims that may be asserted against any Nordstrom Canada Entity by or on behalf of any other Nordstrom Canada Entity or Nordstrom US or any of its affiliated companies, partnerships, or other corporate entities other than the Nordstrom Canada Entities (collectively, the “**Intercompany Claims**”), and prepare a report detailing its review of all Intercompany Claims, assessing the amount and characterization of such Claims (the “**Monitor’s Intercompany Claims Report**”).

45. The Monitor’s Intercompany Claims Report was served on August 3, 2023. The Claims Procedure Order provides that each Intercompany Claim identified in the Monitor’s Intercompany Claims Report is deemed to have been properly submitted through a Proof of Claim by the relevant entity as if such Claim was a Pre-Filing Claim or Restructuring Period Claim, as applicable.

46. Paragraph 45 of the Claims Procedure Order provides that “[a]n Intercompany Claim identified in the Monitor’s Intercompany Claims Report shall not be accepted or deemed to be accepted by the Nordstrom Canada Entities or the Monitor unless and until such Intercompany Claim has been approved by this Court upon a motion on notice to the Service List”. It is proposed that the Intercompany Claims will be approved as part of the Sanction and Vesting Order. Treatment of Intercompany Claims pursuant to the Plan is discussed in further detail below.

47. A summary of the Intercompany Claims as of August 3, 2023, which was included in the Monitor’s Intercompany Claims Report, is reproduced below:

- 21 -

No.	Claim	Claim Type	Claim By	Claim Against	Claim Amount
AFFILIATE CLAIMS					
1.	NIL Canada Expansion Loan Claim	Pre-Filing Claim	NIL	NCH	\$309,832,891
2.	NINC-NCRI Services Claim	Pre-Filing Claim	Nordstrom US	NCRI	\$17,661,179
3.	NCRI Transfer Pricing Claim	Claim Receivable	NCRI	Nordstrom US	\$87,400,488
4.	NINC Employee Trust Subrogated Claim	Subrogated Pre-Filing Claim	Nordstrom US	NCRI	\$13,633,426
5.	NINC-NCL Services Claim	Pre-Filing Claim	Nordstrom US	NCL	\$495,582
6.	NINC-NCH Services Claim	Pre-Filing Claim	Nordstrom US	NCH	\$55,031
7.	NINC-NCHII Services Claim	Pre-Filing Claim	Nordstrom US	NCHII	\$56,829
INTRACOMPANY CLAIMS					
8.	NCL Pre-Filing Sublease Rent Claim	Pre-Filing Claim	NCL	NCRI	\$64,879,810
9.	NCL Post-Filing Sublease Rent Claim	Post-Filing Claim	NCL	NCRI	\$26,227,411
10.	NCL Sublease Termination Claim	Restructuring Period Claim	NCL	NCRI	
	A. NCL Master Lease Flow-Through Claim	Restructuring Period Claim	NCL	NCRI	\$TBD
	B. NCL Improvement Rent Claim	Restructuring Period Claim	NCL	NCRI	\$368,027,201
11.	NCRI-NCL Services Claim	Pre-Filing Claim	NCRI	NCL	\$55,046

- 22 -

(c) Landlords

48. The Nordstrom Canada Entities, with the approval of the Monitor, issued notices of disclaimer to the Landlords of the South Edmonton Common and Willowbrook Langley Nordstrom Rack stores on May 3, 2023, and the One Bloor Street East Nordstrom Rack location on May 5, 2023, with each such disclaimer being effective 30 days after it was issued.

49. On June 22, 2023, the Nordstrom Canada Entities, with the approval of the Monitor, issued notices of disclaimer to the Landlords of all six of Nordstrom Canada's full-line store Leases to disclaim all of the full-line Leases, related amendment, assignment and extension agreements and subleases of premises subject to the full-line Leases. Such disclaimers became effective on July 22, 2023.

50. A description of the Nordstrom Canada Entities' activities with respect to transitioning the stores back to the Landlords in "broom swept" and clean condition can be found in the Sixth Heckel Affidavit. Additionally, as discussed in the Sixth Heckel Affidavit, the Nordstrom Canada Entities worked extensively with Landlords and municipalities to facilitate the removal of exterior signage from all Nordstrom full-line and Nordstrom Rack stores. The Nordstrom Canada Entities have now completed the removal or covering, as applicable, of all exterior signage from all Nordstrom full-line and Rack stores in Canada. The removal of exterior signage went smoothly, and there are no known remaining issues related to exterior signage.

- 23 -

(i) **Lease Monetization and Transaction Process**

51. As discussed in my affidavit sworn May 19, 2023 (the “**Fourth Heckel Affidavit**”), beginning in late March 2023, the Nordstrom Canada Entities, with the assistance of their real estate advisor JLL, and under the supervision of the Monitor, implemented a lease transaction process for the Nordstrom Canada Entities’ Leases (the “**Lease Monetization Process**”). While a comprehensive overview of the Lease Monetization Process is provided in the Fourth Heckel Affidavit, by way of summary:

- (a) 213 parties were contacted by, or reached out directly to, JLL to discuss the process for bidding on one or more of the Leases. Twenty-eight parties executed non-disclosure agreements with Canada Leasing LP and were granted access to a data room containing confidential information to assist potential bidders with their due diligence;
- (b) on April 19, 2023, JLL requested that each interested party submit an expression of interest by no later than 5:00 p.m. (Eastern Time) on April 28, 2023, confirming which Nordstrom Rack Leases it was interested in, the consideration it was willing to provide for same, and any conditions for the closing of a transaction concerning any such Lease (each a “**Nordstrom Rack EOI**”);
- (c) the Nordstrom Canada Entities received Nordstrom Rack EOIs from third-party retailers for the assignment and assumption of four of the seven Nordstrom Rack Leases;

- 24 -

- (d) upon receipt of the Nordstrom Rack EOIs, the Nordstrom Canada Entities and JLL, in consultation with the Monitor, undertook negotiations with bidders who submitted the most attractive, non-conflicting bids for each Nordstrom Rack Lease, including providing draft assignment agreements to certain of the potential assignees;
- (e) on May 24, 2023, JLL sent potentially interested parties an email requesting that each party confirm which Nordstrom Canada full-line store Leases it was interested in, the consideration it was willing to provide for same, and any conditions to closing of a transaction concerning any such Lease (each a “**Nordstrom Full-Line Store EOI**”) by no later than 5:00 p.m. (Eastern Time) on June 8, 2023 (the “**Full-Line Store EOI Deadline**”); and
- (f) as of the Full-Line Store EOI Deadline, the Nordstrom Canada Entities had received Nordstrom Full-Line Store EOIs from third parties for potential transactions involving each of the Nordstrom Canada full-line store Leases. The Nordstrom Canada Entities discussed the Nordstrom Full-Line Store EOIs with JLL, the Monitor and the applicable Landlords. No executable transactions acceptable to the applicable Landlords for the assignment of Nordstrom Canada full-line store Leases emerged as a result of these discussions and the lease transaction process.

52. As discussed in my affidavit sworn July 11, 2023 (the “**Fifth Heckel Affidavit**”), the Nordstrom Canada Entities, with the assistance of JLL and the Monitor, continued to negotiate

- 25 -

lease transactions for the four Nordstrom Rack Leases that were not disclaimed. Those negotiations culminated in the execution of the Winners Agreement and the G2MC Agreement.

53. The Winners Agreement included transactions for the Leases of the Vaughan Mills, Deerfoot Meadows, and Ottawa Train Yards Nordstrom Rack locations. The Ottawa Train Yards Landlord exercised its right to terminate the Lease, and on September 1, 2023, the Ottawa Train Yards Lease was terminated and keys to the Ottawa Train Yards Nordstrom Rack store were returned to the Ottawa Train Yards Landlord.

54. The closing date for the transactions for the Vaughan Mills and Deerfoot Meadows Nordstrom Rack Leases is February 1, 2024. The transactions are currently expected to close on February 1, 2024, as contemplated.

55. As discussed in the Sixth Heckel Affidavit, the transaction under the G2MC Agreement for the Heartland Nordstrom Rack Lease has closed.

(ii) Settlement Agreements with Landlords of Nordstrom Full-Line Stores

56. The Initial Order provides that any Landlord claim pursuant to an indemnity, guarantee or surety executed by Nordstrom US shall be unaffected and shall not be released or affected in any way in any plan of compromise or arrangement filed by the Nordstrom Canada Entities in these CCAA proceedings. As set out in the Initial Heckel Affidavit, the six former Nordstrom full-line store Leases are subject to indemnities granted by Nordstrom US in favour of the applicable Landlord (each an “**Indemnity**”). In addition, the Landlords of the Nordstrom full-line stores, Cadillac Fairview and Oxford (collectively, the “**FLS Landlords**”), each filed Restructuring

- 26 -

Period Claims in the Claims Process (any Proof of Claim filed by a Landlord, a “**CCAA Lease Claim**”).

57. As described in the Sixth Heckel Affidavit, the Nordstrom Canada Entities and Nordstrom US entered into discussions with each of the FLS Landlords, separately, to reach agreements to resolve the respective Landlord’s Indemnity claim (each a “**FLS Landlord Guarantee Claim**”) and to provide a framework for the resolution of their respective CCAA Lease Claims.

58. Between late September and mid-October, the Nordstrom Canada Entities and Nordstrom US, among others, entered into separate settlement agreements and termination and release agreements (collectively, the “**FLS Landlord Settlement Agreements**”) with each of the FLS Landlords for a resolution of the FLS Landlord Guarantee Claims, and to resolve all the issues between the FLS Landlords, the Nordstrom Canada Entities and Nordstrom US, respectively, in these CCAA proceedings, including the CCAA Lease Claims and the support to be provided to the Nordstrom Canada Entities by the FLS Landlords.

59. The key terms of the FLS Landlord Settlement Agreements include the following:

- (a) payment by Nordstrom US, directly or indirectly, to the FLS Landlords of, in the aggregate, cash in the amount of \$174,700,000, exclusive of HST;
- (b) once all required payments are made under the FLS Landlord Settlement Agreements, the FLS Landlord Guarantee Claims shall be fully and finally resolved and comprehensive releases will come into effect;

- 27 -

- (c) the CCAA Lease Claims of the FLS Landlords shall be accepted and proven in the Claims Process at an aggregate amount agreed by Nordstrom US and the Nordstrom Canada Entities, with the consent of the Monitor;
- (d) in recognition of the payments made by Nordstrom US under the FLS Landlord Settlement Agreements, an amount equal to any payment or distribution ultimately received by an FLS Landlord from the Nordstrom Canada Entities, or any other Person, in respect of their CCAA Lease Claims, net of any HST/GST³ thereon or included therein, shall be paid forthwith (and in any event no more than one Business Day following receipt thereof), by such FLS Landlord to Nordstrom US;
- (e) The FLS Landlords agree that they shall:
 - (i) either consent to or not oppose the motion by the Nordstrom Canada Entities for a meeting order in these CCAA proceedings;
 - (ii) vote all of their respective CCAA Lease Claims (a) in favour of the approval, consent, ratification and adoption of the Plan to the extent permitted by applicable Law; (b) against any action that would result in any breach of any representation, warranty, covenant, or agreement or other obligation of the FLS Landlords under their respective FLS Landlord Settlement Agreement; and (c) against any transaction or plan which is contrary to the respective FLS Landlord Settlement Agreement or the Plan;
 - (iii) either consent or not oppose the motion by the Nordstrom Canada Entities for a sanction order in respect of the Plan;
 - (iv) not take any action that is inconsistent with or is intended or likely to interfere with or frustrate the consideration, acceptance, implementation or

³ “**HST/GST**” means the goods and services tax and harmonized sales tax imposed under the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and any regulations thereunder, and any equivalent or corresponding tax imposed under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax.

- 28 -

consummation of the respective FLS Landlord Settlement Agreement or the Plan;

- (v) not, on or after the date of their respective FLS Landlord Settlement Agreement, withdraw, modify, or qualify, or propose to withdraw, modify, or qualify, in any manner adverse to the Nordstrom Canada Entities, their approval, recommendation or support for the Plan; and
 - (vi) not sell, assign, transfer, pledge, encumber or hypothecate any of the CCAA Lease Claims.
- (f) Cadillac Fairview's FLS Landlord Settlement Agreement also provides that the CCAA Tax Claims⁴ shall be disallowed by the Nordstrom Canada Entities in the Claims Process and Cadillac Fairview shall not object to any such disallowance; and
- (g) Oxford's FLS Landlord Settlement Agreement also provides that:
- (i) the Nordstrom Canada Entities and Yorkdale Shopping Centre Holdings Inc. ("**YSCHI**") shall work cooperatively in respect of all matters relating to the proceedings commenced as a result of the realty tax appeals filed by Canada Leasing LP before the Assessment Review Board for tax years 2020, 2021, 2022, and 2023 (the "**Realty Tax Appeals**"); and
 - (ii) the Nordstrom Canada Entities shall, with the support of the Monitor, seek approval of the Court to assign, set over and transfer to YSCHI, any and all of Canada Leasing LP's right, title and interest in and to any amounts recovered by Canada Leasing LP pursuant to the Realty Tax Appeals. Subsequent to entering into the FLS Landlord Settlement Agreement with YSCHI, the Realty Tax Appeals for years 2020 and 2023 were discontinued, leaving only the appeals for 2021 and 2022 to be transferred to the Landlord pursuant to the Plan.

60. After significant discussions and negotiations among Nordstrom US, the Nordstrom Canada Entities and the Monitor, the CCAA Lease Claims of the FLS Landlords were

⁴ "**CCAA Tax Claims**" means the claim filed by Cadillac Fairview for certain priority amounts for Taxes (As defined in the respective Leases).

- 29 -

subsequently accepted and proven in the Claims Process at an amount equal to four and a half years' rent under the Lease for an aggregate amount of Proven Claims of \$121.6 million. Based on current modelling, between approximately \$86.8 million and \$91.2 million is forecast to be paid on account of the CCAA Lease Claims of the FLS Landlords, which amount is to be paid by the FLS Landlords to Nordstrom US as set out in paragraph 59(d) hereof.

(iii) Settlement Agreements with Landlords of Nordstrom Rack Stores

61. As part of the Claims Process, the Nordstrom Canada Entities, with the assistance of the Monitor, entered into discussions with the Nordstrom Rack Landlords who had their Leases disclaimed as part of the CCAA proceedings, being the Landlords of the One Bloor Street East, Willowbrook Langley, and South Edmonton Common Nordstrom Rack locations (each a **"Supporting Rack Landlord"**), regarding a resolution of their CCAA Lease Claims.

62. As a result of these discussions, the Nordstrom Canada Entities have entered or will be entering into separate Settlement Agreements with the Supporting Rack Landlords in respect of, among other things, such Landlords' Proven Claims pursuant to the Claims Procedure Order and the Plan (each a **"Supporting Rack Landlord Settlement Agreement"**).⁵

63. Key terms of each of the Supporting Rack Landlord Settlement Agreements include the following:

⁵ Although all substantive and economic terms have been agreed upon, one of the Supporting Rack Landlord Settlement Agreements has not yet been formally executed as the parties are finalizing certain technical aspects of the agreement.

- 30 -

- (a) the Nordstrom Canada Entities and the Supporting Rack Landlord agree that its respective CCAA Lease Claim shall be accepted and proven in the Claims Process, with the consent of the Monitor, at an amount (the “**Accepted Claim Amount**”) that shall result in the Nordstrom Canada Entities paying a cash distribution of one year of rent under the respective Lease to the Supporting Rack Landlord under the Plan (the “**Rack Landlord Settlement Payment**”). Based on current modelling, the Nordstrom Canada Entities and the Monitor project that this will result in a Proven Claim for each Supporting Rack Landlord equal to approximately 17 months’ rent under the respective Lease;
- (b) the Nordstrom Canada Entities agree to pursue the completion of the settlement contemplated by way of the Plan. The Nordstrom Canada Entities shall file the Plan with the Court consistent with the terms of the Supporting Rack Landlord Settlement Agreements, recommend to any Person entitled to vote on the Plan that they vote to approve the Plan and take all reasonable actions necessary to obtain approval of the Plan;
- (c) the Supporting Rack Landlord agrees that it shall:
 - (i) consent to the motion by the Nordstrom Canada Entities for a meeting order in the CCAA proceedings;
 - (ii) vote all of its CCAA Lease Claims (a) in favour of the approval, consent, ratification and adoption of the Plan (b) against any action that would result in any breach of any representation, warranty, covenant, or agreement or other obligation of the Supporting Rack Landlord under the Supporting Rack Landlord Settlement Agreement or Plan; and (c) against any transaction or plan which is contrary to the Supporting Rack Landlord Settlement Agreement or Plan;

- 31 -

- (iii) consent to the motion by the Nordstrom Canada Entities for a sanction order in respect of the Plan in the CCAA Proceedings;
- (iv) not take any action, directly or indirectly, that is inconsistent with or is intended or likely to interfere with or frustrate the consideration, acceptance, implementation or consummation of the Supporting Rack Landlord Settlement Agreement or the Plan;
- (v) not, on or after the date of the Supporting Rack Landlord Settlement Agreement, withdraw, modify, or qualify, or propose to withdraw, modify, or qualify, in any manner adverse to the Nordstrom Canada Entities, its approval, recommendation or support for the Plan; and
- (vi) not sell, assign, transfer, pledge, encumber or hypothecate any of the CCAA Lease Claims.

64. In addition to the key terms described above, the Supporting Rack Landlord Settlement Agreement entered into with First Capital Holdings (Ontario) Corporation and First Capital Realty Inc. (together with First Capital Holdings (Ontario) Corporation, “**First Capital**”)⁶, the Landlord of the former One Bloor Street East Nordstrom Rack store, contains a provision wherein First Capital acknowledges and confirms to Nordstrom US and the Nordstrom Canada Entities that, upon receipt of the Settlement Payment, First Capital consents to a release of the Indemnity Agreement in respect of the Lease dated December 15, 2015 (the “**Indemnity Release**”) such that Nordstrom US and its affiliates (other than the Nordstrom Canada Entities):

- (a) shall have no liability or obligation to any Person with respect to the Settlement Payment or any other agreement made by the Nordstrom Canada Entities; and

⁶ Unlike the indemnities relating to the FLS Leases, Nordstrom US and the Nordstrom Canada Entities have consistently taken the position that the Nordstrom US indemnity relating to the One Bloor Street East Nordstrom Rack store expired in accordance with its terms, prior to the commencement of these CCAA proceedings.

- 32 -

- (b) upon the effectiveness of the Indemnity Release, shall have no liability or obligation to any Person in respect of the Lease or the Indemnity.

65. The Nordstrom Canada Entities believe the settlement of the Nordstrom full-line store Landlords' CCAA Lease Claims, with the consent of the Monitor, at four and a half years of annual rent is fair and reasonable under the circumstances. As set out above, the terms of the Supporting Rack Landlord Settlements contemplate settlement of the CCAA Lease Claims at an amount equal to approximately 17 months of rent under the respective Lease. Each of the former Nordstrom full-line stores were significantly larger than the Nordstrom Rack locations, were generally in more valuable shopping centres in primary real estate markets and each of the Nordstrom full-line stores was an anchor tenant of its respective shopping centre. Securing a replacement anchor tenant, modifying the premises to instead house multiple tenants, or accommodating other uses will likely present a greater challenge for the former Nordstrom full-line store Landlords and will likely result in a significantly longer period of reconfiguration than will be experienced by the Supporting Rack Landlords.

(d) Wind-Up and Termination of the Employee Trust

66. The Initial Order approved the creation of the Employee Trust for the benefit of employees of Nordstrom Canada that was funded outside the estate by Nordstrom US. The agreement establishing the Employee Trust (the "**Trust Agreement**") provided that the Monitor was the administrator (the "**Administrator**"), Gale Rubenstein, in her personal capacity, was the trustee (the "**Trustee**"), and Nordstrom US was the settlor of the Employee Trust ("**Settlor**").

- 33 -

67. Nordstrom US, as Settlor, made an initial contribution to the Employee Trust of \$14 million on March 13, 2023, and an additional final contribution of \$1.2 million on September 13, 2023.

68. The September Stay Extension Order approved the wind-up and termination of the Employee Trust following the completion of remaining activities, including tax filings and related payments (if any), and the release of the Administrator, Trustee, and Settlor from their respective obligations under the Trust Agreement and from any claims relating to their activities as Administrator, Trustee and Settlor, respectively. For the wind-up and termination to come into effect, the September Stay Extension Order required delivery by the Monitor of a certificate stating that the Monitor has received written confirmations from the Trustee, the Administrator, the Settlor, Nordstrom Canada and Employee Representative Counsel, as applicable, that no further actions are required to be done pursuant to the terms of the Employee Trust, including that (i) all required payments under the Employee Trust have been made; and (ii) such persons confirm their consent to the termination and wind-up of the Employee Trust (the “**Employee Trust Certificate**”).

69. Following the granting of the September Stay Extension Order, as part of the final reconciliation required under section 2.1(d) of the Trust Agreement, Nordstrom Canada and the Monitor:

- (a) reconciled the statutory termination and severance payments from the Nordstrom payroll system to the Employee Trust payment tracker maintained by the Monitor;
- (b) reconciled Employee Trust Top-Up payments from the Nordstrom payroll system to the Employee Trust payment tracker; and

- 34 -

- (c) reconciled total payroll (including Employee Trust reimbursable payments) to payments processed through the Nordstrom Canada bank account.

70. On October 23, 2023, a final reimbursement in the amount of \$6,463.86 was wired to Nordstrom Canada as reimbursement for items identified in the final reconciliation. The Employee Trust has therefore reimbursed Nordstrom Canada a total of \$14,599,347. The remainder of the \$15.2 million funded by Nordstrom US has been used to pay for the costs and expenses of the Employee Trust, with approximately \$400,000 projected to be returned to Nordstrom US.

71. Since the September Stay Extension Order was granted, the final two employees of Nordstrom Canada have met the Deemed Release Terms as defined in the Trust Agreement.

72. The Monitor has not yet delivered the Employee Trust Certificate. The Monitor and the Trustee, with the assistance of the tax preparer, are working to complete the final tax return for the Employee Trust. The Nordstrom Canada Entities will provide an update to the Court on the timing of the termination of the Employee Trust at the upcoming hearing.

(e) **Letter Agreement with the CRA**

73. The Nordstrom Canada Entities, with the assistance of the Monitor, have been engaged with the CRA regarding certain Notices of Assessment issued by the CRA against NCH under Part XIII of the *Income Tax Act* dated June 27, 2023 (the “**CRA NCH Assessments**”). NCH filed Notices of Objection with respect to the CRA NCH Assessments on September 22, 2023 in a timely manner as it disagrees with such assessments (the “**NCH Objections**”).

- 35 -

74. The CRA NCH Assessments reflect the Minister's position that NCH is liable to pay non-resident withholding tax pursuant to Part XIII of the *Income Tax Act* on behalf of NIL pursuant to subsection 215(6) in respect of interest paid by NCH to NIL in 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 (the "**Relevant Years**") with respect to the Canada Expansion Loan. The CRA NCH Assessments also assess penalties and arrears interest and are estimated to be in the total amount of approximately \$36 million as at June 27, 2023.

75. In order to resolve the CRA NCH Assessments as against the Nordstrom Canada Entities for the benefit of their third-party creditors and the CCAA proceedings as a whole, NIL, NCH and the Minister have entered into an agreement (the "**CRA Agreement**") whereby the Minister will vacate the CRA NCH Assessments as against NCH, and instead assess and accept security from NIL. NIL does not agree with and retains its entitlement to dispute the merits of the Minister's position. The key terms of the agreement include:

- (a) As soon as reasonably possible, but in no event later than January 5, 2024, NIL will deliver to the Minister an original irrevocable standby letter of credit in the amount of \$39,298,779 (the "**Interim ISLC**"), which will secure the NIL Assessments described below.
- (b) The Minister will make reasonable efforts to:
 - (i) issue Notices of Assessment to NIL by January 22, 2024 assessing non-resident withholding tax under Part XIII of the *Income Tax Act*, arrears interest, and applicable penalties on substantially the same basis as the CRA NCH Assessments (the "**NIL Assessments**"); and

- 36 -

- (ii) advise NCH and NIL by January 29, 2024 of the letter of credit amount that the Minister requires NIL to post as security for payment of the NIL Assessments (the “**LC Amount**”).
- (c) The Minister will take all necessary steps to vacate the CRA NCH Assessments and make reasonable best efforts by no later than 15 business days after receipt of the Interim ISLC to withdraw and vacate the CRA NCH Assessments or issue nil reassessments, such that there will be no further claims or new assessments against NCH in respect of the potential claims reflected in the CRA NCH Assessments.
- (d) If the LC Amount is greater or less than \$39,298,779, then NIL will deliver to the Minister an amended or replacement letter of credit in the LC Amount (the “**ISLC**”), which the Minister will accept, in substitution for the Interim ISLC.
- (e) The Minister agrees not to draw-down on the Interim ISLC or the ISLC except in certain specified circumstances.
- (f) Nothing in the CRA Agreement limits NIL’s right to challenge the NIL Assessments on their merits (including by way of objection or appeal) or to seek relief from the competent authorities of Canada and/or the United States under the *Canada-United States Tax Convention*.
- (g) Provided that the Minister receives the Interim ISLC or ISLC, the Minister agrees that no distributions in the CCAA proceedings will be made to the Receiver General for Canada in respect of the CRA NCH Assessments nor will the Minister have any further recourse against NCH on account of the CRA NCH Assessments.

- 37 -

76. As discussed further below, a condition precedent to the implementation of the Plan is that the Minister shall have withdrawn and vacated the CRA NCH Assessments as contemplated by the CRA Agreement.

D. Development of the Plan

77. As described above, the Court granted the Sale Approval Order that, among other things, authorized the Merchant, with the assistance of the Consultant, to undertake the Liquidation Sale in accordance with the terms of the Sale Approval Order, the Consulting Agreement, and the Sale Guidelines. The Court also granted two Approval and Vesting Orders, which among other things, approved the transactions completed by the Winners Agreement and the G2MC Agreement.

78. The Nordstrom Canada Entities have completed the Liquidation Sale for the six Nordstrom full-line stores and seven Nordstrom Rack stores and closed the transaction under the G2MC Agreement. Through these two processes – the Liquidation Sale and the Lease transaction process – the Nordstrom Canada Entities sought to maximize the value of their assets for distribution to their stakeholders.

79. The Liquidation Sale resulted in net proceeds of approximately \$107.7 million (after payment of Consultant fees and the reimbursement of third-party costs associated with the removal of FF&E and decommissioning/repair work to ready the stores for handover) and the transactions in the Lease Monetization Process resulted in a significant reduction of Landlord claims in the estate that would otherwise arise from the disclaimer of those Leases, as described in the Fifth Heckel Affidavit, and additional proceeds from the assigned Leases.

- 38 -

80. The Nordstrom Canada Entities have moved from the realization phase of these CCAA proceedings to implementing the Claims Process and developing a Plan that would distribute the proceeds in a fair, equitable and timely manner and complete the orderly wind down of the Nordstrom Canada Entities' business.

81. Since the Stay Period was last extended on September 27, 2023, the Nordstrom Canada Entities and their counsel have analyzed various economic and legal structures for a potential plan and discussed the development of a plan with Nordstrom US, its advisors, and the Monitor.

82. The Plan establishes voting and distribution mechanisms in respect of Creditors' Claims filed in the Claims Process that have been accepted by the Nordstrom Canada Entities, in consultation with the Monitor, and finally determined under the Claims Procedure Order ("**Proven Claims**").

83. To develop a plan that would maximize recoveries for third-party creditors, the Nordstrom Canada Entities and Nordstrom US have agreed that Nordstrom US as Plan Sponsor will make certain financial and other contributions to the Plan.

84. As described above, the Nordstrom Canada Entities, with the assistance of the Monitor, have also had extensive discussions and negotiations with counsel representing the Landlords of Nordstrom Canada's former retail Leases. Ultimately, these parties, who collectively, by far, filed the largest third-party Claims in the Claims Process, have agreed to resolve their Claims in accordance with the proposed Plan, including settling the value of their CCAA Lease Claims in the CCAA estate pursuant to the FLS Landlord Settlement Agreements and the Supporting Rack Landlord Settlement Agreements.

- 39 -

85. Counsel for the Nordstrom Canada Entities and the Monitor also met with Employee Representative Counsel to discuss the development of the Plan and address their questions regarding the Plan. The Nordstrom Canada Entities understand that Employee Representative Counsel will post updates concerning the Creditors' Meeting and Plan to its dedicated website for the CCAA proceedings.

E. The Plan

86. If approved, sanctioned and implemented, the Plan will complete the controlled, orderly and timely wind down of the Nordstrom Canada Entities, provide for a compromise and settlement of all Affected Claims, effect a release and discharge of all Affected Claims and of all claims proposed to be released pursuant to the Plan and effect a global resolution of these CCAA proceedings. On the Plan Implementation Date, each Affected Claim will be fully and finally compromised, released, settled and discharged under the Plan.

(a) The Consolidated Plan

87. The Plan provides for the compromise and settlement of the Affected Claims on a consolidated basis. As described in the Initial Heckel Affidavit, despite being separate legal entities, the business activities of the Nordstrom Canada Entities were intertwined and together represented the "Nordstrom" business in Canada. Nordstrom Canada acted as the retail operating entity in Canada, including by employing all former Canadian employees. Each store location formerly operated by Nordstrom Canada was leased by a third-party landlord to Canada Leasing LP and thereafter subleased by Canada Leasing LP to Nordstrom Canada by a separate sublease in accordance with the applicable Lease.

- 40 -

88. In addition, prior to the commencement of these CCAA proceedings (and during the CCAA proceedings pursuant to the Wind-Down Agreement, which is defined in the Initial Heckel Affidavit), Nordstrom US provided the Nordstrom Canada Entities with (i) administrative and business support services, including legal, finance, accounting, bill processing, payroll, human resources, merchandising, strategy, and information technology project support (collectively, the “**Shared Services**”) and (ii) the right to use intellectual property under an inter-affiliate license and services agreement between Nordstrom US and Nordstrom Canada (the “**License and Services Agreement**”). Under the License and Services Agreement, Nordstrom Canada agreed to operate the Canadian retail stores and Nordstrom.ca. Other inter-affiliate services agreements were entered into between Nordstrom US and the other Nordstrom Canada Entities, and between Nordstrom Canada and Canada Leasing LP such that the Nordstrom Canada Entities together operated the Nordstrom business in Canada, dependent on the Shared Services and rights to use the intellectual property provided by Nordstrom US. The Nordstrom Canada Entities have paid Nordstrom US for the provision of such services, net of any Shared Service fees owed by Nordstrom US to the Nordstrom Canada Entities, pursuant to the fee structure set forth in the Wind-Down Agreement.

89. As further described in the Initial Heckel Affidavit, the Nordstrom Canada Entities maintained a centralized cash management system which was administered by Nordstrom US from its head office in Seattle to collect, transfer and disburse funds generated by the operations of the Nordstrom Canada Entities. The Nordstrom Canada Entities were dependent upon Nordstrom US for Shared Services, such as treasury, banking and related services that were provided through the License and Services Agreement.

- 41 -

90. The Nordstrom Canada Entities, or any of them on an individual basis, did not prepare stand-alone financial statements. As a publicly traded company, Nordstrom US files consolidated financial statements with the US Securities and Exchange Commission, which, prior to the CCAA proceedings, included the consolidated results of operations in the US and Canada.

91. As a result of the foregoing, the Nordstrom Canada Entities have developed the Plan to present to their Affected Creditors on a consolidated basis.

(b) Classification of Creditors

92. The Plan creates a single class of Affected Creditors for voting and distribution purposes – the Unsecured Creditors’ Class – that would be entitled to vote as a single class of creditors and then receive cash distributions under the Plan in respect of their Proven Claims. The procedures for valuing Voting Claims⁷ and resolving disputes and entitlements to voting are set forth in the Claims Procedure Order, the Meeting Order, the Plan and the CCAA.

93. Certain Claims are to be unaffected by the Plan (defined in the Plan as “**Unaffected Claims**”) and will not be compromised. The Unaffected Claims include any: (a) Excluded Claim; (b) Claim in respect of the Administrative Reserve Costs; (c) FLS Landlord Guarantee Claim; (d) Priority Claim; and (e) Insured Claim.

⁷ “**Voting Claim**” means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Creditors’ Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim.

- 42 -

94. Persons holding Equity Claims will not be entitled to vote at the Creditors' Meeting and are not entitled to any distributions under the Plan or to otherwise receive any compensation in respect of those Equity Claims.

95. The Plan Sponsor will also not be entitled to vote on the Plan, including in respect of any amounts paid to any FLS Landlords in respect of any FLS Landlord Guarantee Claim. The CCAA Lease Claims of the FLS Landlords will also not be voted at the Creditors' Meeting as the Plan Sponsor will receive amounts distributed in respect of such Claims from the FLS Landlords.

96. Insured Claims will not be compromised, settled, released or discharged by the Plan. Any Person with an Insured Claim is limited to recovery in respect of the applicable Insurance Policies and not from the Nordstrom Canada Entities.

(c) Key Elements of the Plan

97. On the Plan Implementation Date, consistent with the consolidated approach adopted for the Plan, the Nordstrom Canada Entities will use all their cash to establish the following applicable Cash Pools and Cash Reserves:

- (a) **Consolidated Cash Pool** – Each of the Nordstrom Canada Entities shall deliver or cause to be delivered to Nordstrom Canada all of its Cash, if any, including all proceeds of sale from the Liquidation Sale and the Lease Monetization Process, which Cash shall be held by Nordstrom Canada in the Consolidated Cash Pool Account for itself and as nominee for the other Nordstrom Canada Entities (to the extent of their contributions). In addition, NCL shall become obligated to deliver

- 43 -

or cause to be delivered to Nordstrom Canada from and after the Plan Implementation Date, the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by Nordstrom Canada in the Consolidated Cash Pool Account as nominee for NCL.

- (b) **NCL ITC⁸ Cash Pool** – NCL shall become obligated to deliver or cause to be delivered to Nordstrom Canada, from and after the Plan Implementation Date, the Cash amount of any NCL FLS Distribution ITCs as and when received by NCL, which Cash shall be held by Nordstrom Canada in the NCL ITC Cash Pool Account as nominee for NCL. The NCL ITC Cash Pool is therefore comprised of all Cash received by NCL on account of ITCs resulting from distributions made to FLS Landlords pursuant to the Plan. Only these Creditors of NCL (i.e., the FLS Landlords) are entitled to receive distributions from the NCL ITC Cash Pool because these ITCs are only created by payments made to these Creditors of NCL.

In addition to the NCL ITCs, the Plan addresses Plan Sponsor ITCs, which are generated as a result of payments by the Plan Sponsor under the FLS Landlord Settlement Agreements, described above. Plan Sponsor ITCs will be received or realized by NCL. Pursuant to the Plan, the Plan Sponsor ITCs are held in trust by

⁸ An “ITC” means an input tax credit receivable and claimed under the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and any regulations thereunder, or any equivalent or corresponding amount receivable and claimed under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, on account of HST/GST paid or payable.

- 44 -

NCL for the benefit of the Plan Sponsor as and when received or otherwise realized and are not contributed to either of the Cash Pools or the Cash Reserves.

- (c) **Administrative Reserve Account** – Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Administrative Reserve to the Administrative Reserve Account from the Consolidated Cash Pool, for the purpose of paying the “**Administrative Reserve Costs**”, which are enumerated in the Plan.
- (d) **Disputed Claims Reserve Account** – Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Disputed Claims Reserve to the Disputed Claims Reserve Account from the Consolidated Cash Pool, pending the final resolution of any Disputed Claims in accordance with the Plan.

98. Each Affected Creditor with Proven Claims in the aggregate that are less than or equal to \$15,000 are deemed to be “Convenience Class Creditors” and to vote in favour of the Plan. Each Affected Creditor with Proven Claims in the aggregate in excess of \$15,000 can elect to be treated for all purposes as a Convenience Class Creditor.

99. The Administration Charge and the Directors’ Charge will continue and will be deemed to attach solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order.

100. On the Plan Implementation Date, certain parties will be released, as follows:

- 45 -

- (a) each of the Nordstrom Canada Entities and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents from all Claims, including any Claims based on any occurrence taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, subject to certain specified carve-outs;
- (b) (i) the Monitor, A&M, and their respective affiliates, and each of their current and former directors, officers, employees, representatives, advisors, legal counsel and agents, (ii) counsel to the Directors and Officers, (iii) the Trustee, and (iv) Employee Representative Counsel, from all Claims, including any Claims based on any occurrence taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, subject to certain specified carve-outs; and
- (c) the Plan Sponsor, the Plan Sponsor Subsidiaries and their current and former directors, officers and employees and their respective advisors, legal counsel and agents from all Claims, including any Claims based on any occurrence taking place on or prior to the later of the Plan Implementation Date and the dates on which actions are taken to implement the Plan, subject to certain specified carve-outs including the FLS Landlord Guarantee Claims.

(d) Treatment of Intercompany Claims

101. As discussed above, the Claims Procedure Order provides that an Intercompany Claim identified in the Monitor's Intercompany Claims Report shall not be accepted by the Nordstrom

- 46 -

Canada Entities or the Monitor unless and until such Intercompany Claim has been approved by the Court. The Plan provides that the Sanction and Vesting Order would order that the Intercompany Claims set out in Schedule “A” to the Plan are deemed to be Proven Claims for the purposes of the Claims Procedure Order and the Plan. All of the amounts set out in Schedule “A” to the Plan are for amounts equal to or less than the amount set out for such Claim in the Monitor’s Intercompany Claims Report, other than the NINC Employee Trust Subrogated Claim. A copy of Schedule “A” to the Plan is separately attached as **Exhibit “D”** for ease of reference.

102. On the Plan Implementation Date, the Plan Transaction Steps set out in section 5.2 of the Plan will occur, including with respect to the Intercompany Claims, as follows:

- (a) NINC-NCH Services Claim: “**NINC-NCH Services Claim**” means the Pre-Filing Claim by the Plan Sponsor against NCH for unpaid fees relating to the provision of shared services pursuant to the NINC-NCH Services Agreement, in the amount of \$55,031 and identified as Claim No. 6 under the Intercompany Claims Report. The Plan Sponsor shall cause the NINC-NCH Services Claim to be contributed down the corporate ownership chain to the capital of NCH, in full and final settlement and extinguishment of the NINC-NCH Services Claim.
- (b) NINC-NCHII Services Claim: “**NINC-NCHII Services Claim**” means the Pre-Filing Claim by the Plan Sponsor against NCHII for unpaid fees relating to the provision of shared services pursuant to the NINC-NCHII Services Agreement, in the amount of \$56,829 and identified as Claim No. 7 under the Intercompany Claims Report. The Plan Sponsor shall cause the NINC-NCHII Services Claim to

- 47 -

be contributed down the corporate ownership chain to the capital of NCH, and NCH shall in turn contribute the NINC-NCHII Services Claim to the capital of NCHII, in full and final settlement and extinguishment of the NINC-NCHII Services Claim.

- (c) NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim: “**NINC-NCRI Services Claim**” means a Pre-Filing Claim by the Plan Sponsor against Nordstrom Canada for unpaid fees relating to the provision of shared services and the licensing of intellectual property pursuant to the License and Services Agreement, in the amount of \$17,661,179 and identified as Claim No. 2 under the Intercompany Claims Report. “**NCRI Transfer Pricing Claim**” means a claim by Nordstrom Canada against the Plan Sponsor for unpaid transfer pricing payments pursuant to the “Transfer Pricing Policy” under the License and Services Agreement, in the amount of \$87,400,488 and identified as Claim No. 3 under the Intercompany Claims Report. “**Net NINC-NCRI Services Claim**” means the remaining balance of the NINC-NCRI Services Claim of \$17,461,179, having been reduced by \$200,000, being the fair market value of the Canada Customer Data, as a result of the partial settlement and satisfaction in accordance with the Plan Transaction Steps. In full and final settlement and satisfaction of the Net NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim:

- (i) Nordstrom Canada and the Plan Sponsor will fully and finally settle and satisfy the Net NINC-NCRI Services Claim (a Claim owing by Nordstrom Canada to NINC) by way of set-off of such claim against the NCRI Transfer Pricing Claim (a Claim owing by NINC to Nordstrom Canada), such that the amount of the NCRI Transfer Pricing Claim will be partially settled and reduced to the Net NCRI Transfer Pricing Claim; and

- 48 -

- (ii) The Plan Sponsor will pay to Nordstrom Canada the Cash amount of the Net NCRI Transfer Pricing Claim in the amount of \$69,939,309 in full and final settlement and satisfaction of this Claim.
- (d) NCL Post-Filing Sublease Rent Claim: “**NCL Post-Filing Sublease Rent Claim**” means NCL’s Post-Filing Claim as against Nordstrom Canada for unpaid Real Estate Improvement Rent, in the amount of \$26,227,411 and identified as Claim No. 9 under the Intercompany Claims Report. Nordstrom Canada will pay from its Cash to NCL the Cash amount of the NCL Post-Filing Sublease Rent Claim in the amount of \$26,227,411 in full and final settlement and satisfaction of this Claim.
- (e) NCL-NCRI Claims Settlement Agreement: “**NCL-NCRI Claims Settlement Agreement**” means the agreement between NCL and Nordstrom Canada, to be deemed effective on the Plan Implementation Date, which results in the full and final settlement and satisfaction of the NCL Pre-Filing Sublease Rent Claim (Intercompany Claim No. 8), the NCL Sublease Termination Claim (Intercompany Claim No. 10) and the NCRI-NCL Services Claim (Intercompany Claim No. 11). The NCL-NCRI Claims Settlement Agreement will be, and will be deemed to be, effective, pursuant to which NCL will direct Nordstrom Canada to contribute the NCL-NCRI Claims Settlement Amount to the Consolidated Cash Pool for the benefit of NCL.

103. The three remaining Intercompany Claims included in the Intercompany Claims Report not described above will be proven and distributed from the Consolidated Cash Pool on a *pro rata* basis pursuant to the Plan as follows:

- 49 -

- (a) NIL Canada Expansion Loan Claim: “**NIL Canada Expansion Loan Claim**” means a Pre-Filing Claim by NIL against NCH, in the amount of \$309,832,891, in respect of loans advanced by NIL under the NIL Canada Expansion Loan Agreement, which is identified as Claim No. 1 under the Intercompany Claims Report. Pursuant to the Plan, the NIL Canada Expansion Loan Claim shall be a Proven Claim in an amount which will generate total distributions under the Plan on account of such Claim equal to (and in any case no greater than) the Cash on hand at NCH available for distribution to Affected Creditors on the Plan Implementation Date, being approximately \$0.9 million. As a consequence, Nordstrom US (through NIL) will not recover the vast majority of the NIL Canada Expansion Loan Claim. Current modelling forecasts the NCL Canada Expansion Loan Claim to be proven in the amount of \$1.2 million, representing more than \$300 million not being recovered by the Plan Sponsor.
- (b) NINC Employee Trust Subrogated Claim: “**NINC Employee Trust Subrogated Claim**” means a subrogated Pre-Filing Claim by the Plan Sponsor against Nordstrom Canada authorized pursuant to the Initial Order in respect of the aggregate gross amounts paid to beneficiaries directly or indirectly from the Employee Trust, which was in the amount of \$13,633,426 as at the date of the Intercompany Claims Report and now constitutes a final amount of \$14,599,347, and is identified as Claim No. 4 under the Intercompany Claims Report.
- (c) NINC-NCL Services Claim: “**NINC-NCL Services Claim**” means a Pre-Filing Claim by the Plan Sponsor against NCL for unpaid fees relating to the provision of

- 50 -

shared services pursuant to the NINC-NCL Services Agreement between the Plan Sponsor and NCL, in the amount of \$495,582 and identified as Claim No. 5 under the Intercompany Claims Report.

104. Nordstrom US will not recover on other Claims which could be subrogated Claims as against the Nordstrom Canada Entities in the amount of approximately \$1 million.

105. Holders of Intercompany Claims are not entitled to vote at the Creditors' Meeting.

(e) Distributions under the Plan

106. On the Initial Distribution Date, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, will distribute the Cash in the Consolidated Cash Pool as follows:

- (a) first, each Other Priority Claim⁹ Creditor will receive a distribution in full amount of its Other Priority Claim, in full and final settlement and satisfaction of its Other Priority Claim;
- (b) second, each Convenience Class Creditor will receive a distribution in the full amount of its Convenience Class Claim, in full and final settlement and satisfaction of its Proven Claim;

⁹ “**Other Priority Claim**” means a Claim identified and accepted by the Nordstrom Canada Entities, in consultation with the Monitor, as a proven “priority claim” pursuant to the Claims Procedure Order.

- 51 -

- (c) third, each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim will receive an initial distribution in respect of such Proven Claim in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on the Initial Distribution Date provided that, notwithstanding the Pro Rata Share distribution to such Affected Creditors, the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date will be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement (i.e., the Rack Landlord Settlement Payments), with no further distributions to be made to the Supporting Rack Landlords under the Plan. The amount of the Rack Landlord Settlement Payments shall be based on a Proven Claim for such Supporting Rack Landlord determined by the Nordstrom Canada Entities, with the consent of the Monitor, no less than five (5) Business Days prior to the Plan Implementation Date.

107. From and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, as applicable, will distribute to each Affected Creditor with a Disputed Claim that has become a Proven Claim an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have already received pursuant to the Plan had its Claim been accepted as a Proven Claim prior to the applicable Distribution Date. Any remaining balance in the Disputed Claims Reserve Account relating to such Affected Creditor's Disputed Claim will be deposited into the Consolidated Cash

- 52 -

Pool Account for distribution to each Affected Creditor with a Proven Claim in an amount equal to such Affected Creditor's respective Pro Rata Share.

108. From and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of NCL, will make a distribution to each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution. Although the Plan is consolidated, as described above, the creation of and distributions from the NCL ITC Cash Pool ensure that ITCs which are created solely from distributions to the FLS Landlords are distributed to such Landlords. From and after the Plan Implementation Date, NCL will deliver or cause to be delivered to Nordstrom Canada the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by Nordstrom Canada in the Consolidated Cash Pool Account as nominee for NCL.

109. No later than the Initial Distribution Date, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute Cash from the Administrative Reserve to pay certain Administrative Reserve Costs to the extent they are due and owing on such date, as set out in the Plan.

110. To the extent any Plan Sponsor ITCs are held by NCL on the Plan Implementation Date, and at such later time or times that any additional Plan Sponsor ITCs are received or realized by NCL, the full Cash amount of such Plan Sponsor ITCs will be paid to the Plan Sponsor.

111. On the Final Distribution Date, once there are no remaining Disputed Claims, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities will:

- 53 -

- (a) first, pay any final Administrative Reserve Costs from the Administrative Reserve Account;
- (b) second, contribute any balance remaining in the Administrative Reserve Account and the Disputed Claims Reserve Account to the Consolidated Cash Pool Account;
- (c) third, distribute to the Affected Creditors with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of such Affected Creditor's Proven Claim; and
- (d) fourth, provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan.

112. To the extent that payments are not cashed and become stale-dated or are returned as undeliverable, the Affected Creditor must notify the Monitor of the Affected Creditor's current address or wire particulars, at which time all such distributions will be made to such Creditor. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made no later than the date that is four months following the Initial Distribution Date. If notice is not given before the deadline, the Affected Creditor's Claim will be forever discharged and barred and the Cash that otherwise would have been payable to that Affected Creditor will be returned to the Consolidated Cash Pool Account.

- 54 -

113. An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Nordstrom Canada Entities are not obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment has been received and acknowledged by the Monitor in writing.

(f) Plan Sponsor Releases and Landlord Guarantee Claims

114. As described above, Nordstrom Canada's full-line store Leases were each subject to an Indemnity granted by Nordstrom US in favour of the applicable FLS Landlord. These FLS Landlord Guarantee Claims are required to be dealt with outside of the CCAA proceedings, pursuant to paragraph 15 of the Initial Order.

115. The Plan provides that the FLS Landlords, with respect to and to the extent of their FLS Landlord Guarantee Claims, shall be Unaffected Claims. Further, the Plan does not release or discharge any FLS Landlord Guarantee Claim. The FLS Landlord Guarantee Claims have been consensually resolved outside the Plan and the Plan does not purport to settle or otherwise resolve them.

116. The release of the Plan Sponsor in the Plan, excluding the FLS Landlord Guarantee Claims, is a necessary precondition to the contributions made by Nordstrom US under the Plan. The Nordstrom Canada Entities believe that Nordstrom US' involvement as Plan Sponsor is essential to achieving a successful Plan because, on balance, it will result in significantly higher and more timely recoveries to Affected Creditors as a whole from the Nordstrom Canada Entities' estates on

- 55 -

a consolidated basis than they would receive from a non-consolidated plan or results that could have been achieved in bankruptcy proceedings.

117. Additionally, the Nordstrom Canada Entities believe that it is appropriate to release the Plan Sponsor in the Plan given that Nordstrom US has contributed, and continues to contribute, to the orderly wind down of the Nordstrom Canada Entities in a tangible and material way and will continue to do so after the Plan Implementation Date.

118. Nordstrom US' material contributions to these CCAA proceedings and the Plan include the following:

- (a) engaging in significant negotiations and discussions with the Nordstrom Canada Entities and the Monitor to resolve the CCAA Lease Claims associated with the FLS Landlords (the largest third-party Claims filed in the Claims Process) in a timely manner, without litigation, and at a level that resulted in a material increase to the unsecured creditor recovery;
- (b) not recovering on over \$300 million of the NIL Canada Expansion Loan Claim, which was a Pre-Filing Claim in the amount of \$309,832,891 and will be proven in the amount of approximately \$1.2 million and not recovering on other Claims against the Nordstrom Canada Entities of approximately \$1 million;
- (c) causing its wholly-owned subsidiary NIL to enter into the CRA Agreement with the CRA to vacate the CRA NCH Assessments in the amount of approximately \$36

- 56 -

million as at June 27, 2023, and to cause the CRA to instead assess and accept security from NIL;

- (d) paying the approximately \$70 million transfer pricing amount due to Nordstrom Canada (after netting amounts owing by Nordstrom Canada for shared services);
- (e) funding the Employee Trust in the amount of \$15.2 million to cover payments to employees and the cost of administering the Employee Trust for the benefit of Nordstrom Canada's employees;
- (f) providing ongoing shared services to facilitate the orderly wind down of the Nordstrom Canada Entities' business;
- (g) maintaining the books and records of the Nordstrom Canada Entities for purposes of the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan, or as the Nordstrom Canada Entities may otherwise be required under Applicable Law;
- (h) providing stability and certainty for the Nordstrom Canada Entities on filing for CCAA protection by entering into a new administrative services agreement, the Wind-Down Agreement, pursuant to which Nordstrom US agreed, in exchange for a fee, to continue providing Shared Services including required intellectual property and to provide \$15 million in debtor-in-possession financing, on reasonable terms, should such financing be required in these CCAA proceedings

- 57 -

(although this financing was not ultimately required by the Nordstrom Canada Entities); and

- (i) pursuant to the Credit Agreement Amendment (as defined in the Initial Heckel Affidavit), removing Nordstrom Canada as a Loan Party to the Credit Agreement, negotiating for the release of Nordstrom Canada from its guaranty provided pursuant to the Guaranty Agreement and obtaining a release and discharge of the security interest granted by Nordstrom Canada to the Agent pursuant to the Canadian Security Agreement, among other things.

119. The Nordstrom Canada Entities note that if Nordstrom US recovered on all of its Claims against the Nordstrom Canada Entities, the recovery for Affected Creditors would be materially reduced. I understand that the Monitor agrees with this view.

120. The Nordstrom Canada Entities believe that the Releases are rationally related to the Plan and are in fact crucial to the successful implementation of the Plan. The Nordstrom Canada Entities have been advised by Tracie Hinson, the SVP Enterprise Operations of Nordstrom US, and believe that the aforementioned contributions of the Plan Sponsor are only available in the context of the Plan.

- 58 -

(i) **The Plan Sponsor Support Agreement**

121. Attached as **Exhibit “E”** to this affidavit is a copy of the support agreement between Nordstrom US and the Nordstrom Canada Entities (the “**Plan Sponsor Support Agreement**”), which contains Nordstrom US’ agreement to be bound by the Plan.

122. The Plan Sponsor Support Agreement, dated December 13, 2023, provides that:

- (a) Nordstrom US agrees to be bound by the Plan and to perform, and cause its affiliates (other than the Nordstrom Canada Entities) to perform, all of the obligations of Nordstrom US and such affiliates under the Plan or incidental thereto, conditional upon the occurrence of the Plan Implementation Date; and
- (b) the Nordstrom Canada Entities agree to be bound by the Plan and to perform all of their respective obligations under the Plan, conditional upon the occurrence of the Plan Implementation Date. The Nordstrom Canada Entities agree to pursue the Plan, and will file the Plan with the Court consistent with the terms of the Plan Sponsor Support Agreement, recommend to any Person entitled to vote on the Plan that they vote to approve the Plan, and take all reasonable actions necessary to obtain approval of the Plan.

(g) **Other Plan Matters**

123. As described above, the Plan outlines the Plan Transaction Steps to be completed to implement the Plan. In addition to the Plan Transaction Steps related to the Intercompany Claims,

- 59 -

described above, this includes the creation of the Consolidated and NCL ITC Cash Pool Accounts and both the Administrative and Disputed Claims Reserves, which are described above.

124. The Plan Transaction Steps also include:

- (a) payment by NCL to the Plan Sponsor of the full Cash amount of any Plan Sponsor ITCs held by NCL on the Plan Implementation Date. The Plan Sponsor ITCs were created solely from payments made by the Plan Sponsor and not from payments made by the Nordstrom Canada Entities. NCL will also be obligated to pay to the Plan Sponsor the Cash amount of any additional Plan Sponsor ITCs at such later time that such Plan Sponsor ITCs are received or realized by NCL;
- (b) the Nordstrom Canada Entities assigning, setting over and transferring to YSCHI, (a) any and all of NCL's right, title and interest in and to any amounts recovered by NCL pursuant to the Realty Tax Appeals¹⁰ and (b) on an "as is, where is" basis, any and all of NCL's right, title and interest in and to the Realty Tax Appeals, and all of NCL's benefits, burdens, obligations and liabilities related to such Realty Tax Appeals;
- (c) the transfer of the Canada Customer Data¹¹ by Nordstrom Canada to the Plan Sponsor (or its designee), in partial settlement and satisfaction of the NINC-NCRI Services Claim. Such Canada Customer Data will vest absolutely in and to the Plan

¹⁰ For purposes of the Plan, this means the two realty tax appeals referred to by (a) appeal number 3442661 for the taxation year 2021 and (b) appeal number 3487968 for the taxation year 2022, filed by NCL with respect to the former FLS Store located at Yorkdale Shopping Mall in Toronto, Ontario.

¹¹ "**Canada Customer Data**" means customer related data derived from the operation of the Business including, but not limited to, the Canada customer list(s).

- 60 -

Sponsor (or its designee) free and clear of all Encumbrances pursuant to the Sanction and Vesting Order, such that the amount of the NINC-NCRI Services Claim shall be partially settled and reduced by \$200,000 to the Net NINC-NCRI Services Claim. Hilco Valuation Services provided a valuation of the Canada Customer Data for purposes of these CCAA proceedings. According to Hilco Valuation Services, the Canada Customer Data, on a standalone basis, separate and apart from any other intellectual property owned by Nordstrom Canada and its affiliates, is of nominal value (with a total net value of \$200,000).¹² The Nordstrom Canada Entities have reviewed this valuation and based on their knowledge of the Canada Customer Data, agree with such valuation. I am also informed that the Monitor believes the valuation is reasonable. The Nordstrom Canada Entities are in the process of considering privacy issues with respect to the Canada Customer Data and will address same at any motion for the Sanction and Vesting Order.

125. The implementation of the Plan will also be conditional on the fulfillment or waiver, where applicable, of certain conditions precedent, including that the Minister will have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor, as described above.

126. The Plan also requires that the Plan Implementation Date must occur by no later than June 30, 2024, unless otherwise ordered by the Court.

¹² Hilco Valuation Services did not opine upon the ability of a buyer to legally obtain and utilize these assets under the CCAA and any other relevant Canadian law, including laws related to consumer privacy and anti-spam legislation.

- 61 -

127. Upon receipt by the Monitor of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to implementation of the Plan, the Monitor will deliver the Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy thereof on the service list established in these CCAA proceedings. Following the Plan Implementation Date, the Monitor will file a copy of the Monitor's Plan Implementation Date Certificate with the Court and post a copy of same on the Monitor's Website.

128. If the Plan is approved by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Nordstrom Canada Entities shall apply for the Sanction and Vesting Order. Among other things, the Sanction and Vesting Order will declare that following written notice from the Nordstrom Canada Entities to the Monitor that they have fully and finally effected all distributions in accordance with the Plan, the Monitor shall serve a copy of the Monitor's Plan Completion Certificate on the service list established in these CCAA proceedings, file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Monitor's Website.

F. The Proposed Meeting Order

129. The proposed Meeting Order authorizes the Nordstrom Canada Entities to convene the meeting of a single class of Creditors¹³ comprised of all Affected Creditors, the "Unsecured Creditors' Class", to consider and vote on the Plan. The Nordstrom Canada Entities propose that the Creditors' Meeting will be held at 10:00 a.m. on March 1, 2024 by electronic or virtual means.

¹³ All capitalized terms not otherwise defined in this section of the affidavit have the meanings given to them in the Meeting Order.

- 62 -

(a) Notification

130. The Meeting Order provides for comprehensive notification of the Creditors' Meeting to the Affected Creditors. It is proposed that the Monitor will:

- (a) not later than January 15, 2024 or as soon as practicable thereafter, send the Letter to Creditors, Notice of Creditors' Meeting, the Proxy, the Convenience Class Claim Election, the Resolution, the Plan, and the Meeting Order (collectively, the **"Meeting Materials"**), to Affected Creditors and Employee Representative Counsel;
- (b) within four Business Days following the date of the Meeting Order, post a copy of the Meeting Materials to the Monitor's Website, and send a copy of the Meeting Materials to the Service List;
- (c) upon request by any Affected Creditor with a Voting Claim, received not less than five Business Days prior to the Creditors' Meeting, provide written or electronic copies of the Meeting Materials to such Affected Creditor; and
- (d) cause a notice of the Creditors' Meeting to be published once in *The Globe and Mail* (National Edition) on or before January 15, 2024.

(b) Conduct of the Creditors' Meeting

131. The Meeting Order provides that a representative of the Monitor will act as Chair of the Creditors' Meeting and, subject to any further order of this Court, will decide all matters relating

- 63 -

to the conduct of the Creditors' Meeting. The Monitor may appoint one or more scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting. One or more individuals designated by the Monitor will act as secretary at the Creditors' Meeting.

132. The only Persons entitled to attend the Creditors' Meeting are: (i) Affected Creditors entitled to vote at the Creditors' Meeting (or, if applicable, and Person holding a valid Proxy on behalf of one or more Affected Creditors) and any such Affected Creditor's legal counsel and financial advisors; (ii) the Chair, the scrutineers, and the secretary; (iii) representatives of the Monitor and the Monitor's legal counsel; (iv) representatives of the Nordstrom Canada Entities and the Nordstrom Canada Entities' legal counsel; (v) representatives of the Plan Sponsor and the Plan Sponsor's legal counsel; and (vi) Employee Representative Counsel. Any other Person may be admitted to the Creditors' Meeting on invitation of the Nordstrom Canada Entities, in consultation with the Monitor.

(c) Voting

133. The voting procedures were designed to provide a fair and equitable opportunity for Affected Creditors to register their votes for or against the Plan. The Meeting Order and the Plan provide, *inter alia*:

- (a) At the Creditors' Meeting, the Chair will direct a vote on the Resolution to approve the Plan and any amendments or variations thereto as the Monitor, the Nordstrom Canada Entities and the Plan Sponsor may consider appropriate.

- 64 -

- (b) The quorum required at the Creditors' Meeting will be one Affected Creditor with a Voting Claim present at the Creditors' Meeting in person (by electronic or virtual means) or by proxy.
- (c) An Affected Creditor will be permitted to attend the Creditors' Meeting in person (electronically or virtually) or may appoint the Monitor or another person to attend the Creditors' Meeting as its proxyholder in accordance with the process provided in the Meeting Order. The Meeting Order also appoints Employee Representative Counsel as proxyholder for Represented Employees of the Nordstrom Canada Entities. The Meeting Order contains provisions outlining the requirements for voting and sets out the procedure and deadlines for an Affected Creditor to submit a Proxy or to notify the Monitor of its intention to attend and vote at the Creditors' Meeting in order to obtain a Personal Meeting Identifier.
- (d) Each Affected Creditor with a Voting Claim will be entitled to vote as part of the Unsecured Creditors' Class in the amount equal to the dollar value of its Voting Claim. For the purposes of voting or distribution under the Plan, a Claim will be denominated in Canadian dollars. Any Claim in a currency other than Canadian dollars must be converted to Canadian dollars, and any such amount will be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date, which rate for US dollars is US\$1:Cdn\$1.3614.

- 65 -

- (e) Each Convenience Class Creditor will be deemed to vote as part of the Unsecured Creditors' Class in favour of the Plan. Each such vote will have a value equal to such Convenience Class Creditor's Proven Claim. Any Creditor who validly elects to be a Convenience Class Creditor by submitting a Convenience Class Election prior to the Election/Proxy Deadline will be deemed to have a Proven Claim in the amount of \$15,000 and will be deemed to vote in favour of the Plan.
- (f) The CRA will have one vote in respect of its Disputed Claims, the dollar value of which will be equal to \$1, without prejudice to the determination of the dollar value of such Disputed Claims for distribution purposes in accordance with the Claims Procedure Order and the Plan.
- (g) Each Affected Creditor with a Disputed Claim (other than the CRA in respect of its Disputed Claims) will be entitled to one vote at the Creditors' Meeting in the amount of a Voting Claim equal to the dollar value for such Disputed Claim as set out in the Notice of Revision or Disallowance delivered by the Monitor in respect of such Disputed Claim (or, if a Notice of Revision or Disallowance has not been delivered, the dollar value of such Disputed Claim as set out in such Affected Creditor's Proof of Claim or Notice of Dispute of Negative Notice Claim, as applicable), without prejudice to the determination of the dollar value of such Disputed Claim for distribution purposes in accordance with the Claims Procedure Order. The Monitor will keep a separate record of votes cast by Affected Creditors holding Disputed Claims and will report on same in the Monitor's Report Regarding the Creditors' Meeting (as defined below).

- 66 -

- (h) An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Nordstrom Canada Entities nor the Monitor will be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor, until notice of the transfer or assignment has been received and acknowledged by the Monitor in writing.¹⁴
- (i) Certain Persons are not entitled to vote on the Plan, including Persons holding Unaffected Claims and Intercompany Claims.
- (j) The Chair will be authorized to adjourn, postpone or otherwise reschedule the Creditors' Meeting on one or more occasions (without the need to first convene such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Nordstrom Canada Entities, the Chair or the Monitor will be required to deliver any notice of adjournment of the Creditors' Meeting or adjourned Creditors' Meeting, provided that the Monitor will: (a) if applicable, announce the adjournment of the Creditors' Meeting or adjourned Creditors' Meeting; (b) post notice of the adjournment at the originally designated time and location of the Creditors' Meeting or adjourned Creditors' Meeting, as applicable; (c) forthwith post notice of the adjournment on the Monitor's Website; and (d) provide notice of the adjournment to the Service List forthwith.

¹⁴ Where a Claim has been transferred or assigned in part, the transferor or assignor will retain the right to vote at the Creditors' Meeting in respect of the full amount of the Claim, and the transferee or assignee will have no voting rights at the Creditors' Meeting in respect of such Claim.

- 67 -

(d) Amendments to the Plan

134. The Meeting Order provides that the Nordstrom Canada Entities, with the consent of the Monitor and the Plan Sponsor, are authorized to make and to file any Plan Modification prior to or at the Creditors' Meeting, in which case any such Plan Modification will form part of and be incorporated into the Plan considered by Affected Creditors at the Creditors' Meeting.

135. The Meeting Order also provides that post-meeting amendments can be effected by the Nordstrom Canada Entities, with the consent of the Monitor and the Plan Sponsor, either pursuant to an Order of the Court or where such an amendment concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Order or to cure any errors, omissions or ambiguities. In either circumstance, the amendment cannot be materially adverse to the financial or economic interests of the Affected Creditors or the Unaffected Creditors.

(e) Approval and Court Sanction of the Plan

136. To be approved, the Plan must receive an affirmative vote by the Required Majority at the Creditors' Meeting. Following the vote at the Creditors' Meeting, the Monitor will tally the votes and determine whether the Plan has been approved by the Required Majority. The results of the Creditors' Meeting will be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting, or was entitled to be present or vote at the Creditors' Meeting.

- 68 -

137. The Nordstrom Canada Entities propose that, in the event that the Plan is approved by the Required Majority, the Nordstrom Canada Entities will bring the Sanction Motion on March 12, 2024 (or such later date as is acceptable to the Nordstrom Canada Entities and the Monitor).

138. The Monitor will provide a report to the Court as soon as practicable after the Creditors' Meeting (the "**Monitor's Report Regarding the Creditors' Meeting**") with respect to: (i) the results of voting at the Creditors' Meeting on the Resolution; (ii) whether the Required Majority has approved the Plan; (iii) the effect of the results of voting had all of the Affected Creditors with Disputed Claims also voted the full amount of their Disputed Claims; and (iv) in its discretion, any other matter relating to the Sanction Motion. A copy of the Monitor's Report Regarding the Creditors' Meeting, the Plan and a copy of the materials filed in respect of the Sanctions Motion will be served on the Service List and posted on the Monitor's Website prior to the Sanction Motion.

G. Extension of the Stay Period

139. The Initial Order granted a Stay Period until and including March 12, 2023. The Stay Period (including by extension the Co-Tenancy Stay) and the Parent Stay were extended to March 20, 2023, June 30, 2023, and later to September 29, 2023. The Stay Period (including by extension the Co-Tenancy Stay) were subsequently extended to December 22, 2023.

140. The Applicants are seeking to extend the Stay Period, including by extension the Co-Tenancy Stay, up to and including April 5, 2024. As set out above, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings since the most recent stay extension motion. In particular, the Nordstrom Canada Entities have worked diligently to develop, and have

- 69 -

developed, a comprehensive Plan to provide finality and certainty in these CCAA proceedings in a timely manner, and which is expected to provide significant recoveries to Creditors.

141. An extension of the Stay Period, including the Co-Tenancy Stay, is necessary to allow the Affected Creditors to consider and vote on the Plan and, if they approve the Plan, to permit the Nordstrom Canada Entities to bring the motion asking the Court to sanction the Plan. The Nordstrom Canada Entities believe that maintaining the Co-Tenancy Stay during the next stage of the case will continue to provide stability to the CCAA proceedings.

142. The Nordstrom Canada Entities have confirmed, in consultation with the Monitor, that they have sufficient cash resources to continue their wind down through to April 5, 2024. I understand that the Monitor will be filing a report with the Court prior to the hearing of this motion, which will include an updated cash flow forecast for the Nordstrom Canada Entities.

143. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down. I believe that the proposed extension of the Stay Period, including the Co-Tenancy Stay, are in the best interests of the Nordstrom Canada Entities and their stakeholders. I am also informed by the Monitor that it supports the request to extend the Stay Period and the Co-Tenancy Stay.

- 70 -

SWORN BEFORE ME over
videoconference this 13th day of December,
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 of Toronto, in the
Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

HANNAH DAVIS
LSO# 85047N



MISTI HECKEL

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 OF MISTI HECKEL

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.5960
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

This is **Exhibit “B”** referred to in the Affidavit of Misti Heckel
sworn December 2, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

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

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

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

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

APPLICANTS

**AFFIDAVIT OF MISTI HECKEL
(Sworn March 8, 2024)**

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

- 2 -

and records, of the Nordstrom Canada Entities. As such, I have personal knowledge of the matters deposited 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 the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective 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 an order, among other things:

- (a) sanctioning the Consolidated Plan of Compromise and Arrangement dated December 13, 2023 (as amended, the "**Plan**") and authorizing the Nordstrom Canada Entities and the Monitor to implement it; and
- (b) extending the Stay Period (and by extension, the Co-Tenancy Stay) until and including June 28, 2024.

4. The Nordstrom Canada Entities, with the oversight of the Monitor and the support of Nordstrom US as Plan Sponsor, have negotiated a global resolution to these CCAA proceedings that will complete the orderly wind down of the Nordstrom Canada Entities' business in a timely and efficient manner and will maximize distributions to their creditors. The Nordstrom Canada Entities believe that the Plan accomplishes these objectives, is fair and reasonable, and is the best available result in the circumstances. The Monitor supports the Plan, which is also supported by Employee Representative Counsel and the Nordstrom Canada Entities' former Landlords, which Landlords collectively filed by far the vast majority by quantum of Claims in the Claims Process.

- 3 -

5. The Creditors' Meeting to vote on the Plan was held on March 1, 2024. The Nordstrom Canada Entities achieved the Required Majority¹ of votes needed to approve the Plan. According to the Monitor's tabulation, the Affected Creditors holding Proven Claims that were present in person or by proxy and voted (or were deemed to vote) at the Creditors' Meeting voted unanimously to approve the Resolution in favour of the Plan.

6. Based on the most up-to-date information from the Nordstrom Canada Entities and the Monitor, and subject to the caveats and limitations described in the Monitor's Eighth Report dated February 21, 2024, the Nordstrom Canada Entities expect that Affected Creditors will receive distributions of approximately 72% to 75% of their Affected Claims that are Proven Claims.

7. If the Plan is sanctioned and the closing conditions are satisfied, the implementation of the Plan will complete the orderly wind down of the Nordstrom Canada Entities and resolve these CCAA proceedings.

8. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.

9. This affidavit is organized into the following sections:

A.	Background	4
B.	Update on the CCAA Proceedings	5
(a)	Claims Process	5
(i)	Filed Claims	6
(b)	Landlords	7
(i)	Lease Monetization Process.....	7

¹ Capitalized terms not otherwise defined in this affidavit have the meanings given to them in my affidavit sworn December 13, 2023 (the "**Seventh Heckel Affidavit**") or the Plan.

- 4 -

	(ii)	Settlement Agreements with Landlords of Nordstrom Rack Stores.....	8
	(c)	Termination of Employee Trust.....	9
	(d)	Letter Agreement with the CRA	10
C.		The Plan	12
	(a)	Nordstrom Canada Customer Data	15
	(b)	Conditions Precedent	17
D.		Mailing of the Meeting Notice and Meeting Materials	19
E.		The Creditors' Meeting.....	20
F.		Plan Sanction	21
G.		Extension of the Stay Period.....	22

A. Background

10. The background to these CCAA proceedings and an extensive description of the Plan is set out in the Seventh Heckel Affidavit. A copy of the Seventh Heckel Affidavit, without exhibits, is attached as **Exhibit “A”**.

11. On December 20, 2023, the Court granted an order (the “**Meeting Order**”) which, among other things, accepted the filing of the Plan, authorized the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”), provided for the manner of distribution to the Affected Creditors of the Meeting Materials for the Creditors’ Meeting and extended the Stay Period until and including April 5, 2024.

12. Since the Meeting Order was granted on December 20, 2023, the Nordstrom Canada Entities, in close consultation with the Monitor, have made significant progress in these CCAA proceedings, including by:

- (a) continuing to implement the Claims Process and working to resolve creditor Claims filed in the Claims Process;

- 5 -

- (b) completing the wind-up and termination of the Employee Trust;
- (c) finalizing the definitive agreements to resolve the Claims of the Nordstrom Rack Landlords whose Leases were disclaimed in the CCAA proceedings;
- (d) implementing the agreement entered into with the Canada Revenue Agency (the “CRA”) with respect to the CRA NCH Assessments in order to remove such claims from the Nordstrom Canada Entities’ estate; and
- (e) preparing for and conducting the Creditors’ Meeting to vote on the Plan.

B. Update on the CCAA Proceedings

(a) Claims Process

13. As described in the Seventh Heckel Affidavit, prior to the launch of the Claims Process, the Nordstrom Canada Entities and the Monitor had commenced working with vendors to reconcile the amounts of their Pre-Filing Claims. In addition, the Nordstrom Canada Entities identified and made available representatives with the appropriate knowledge and expertise to review the Nordstrom Canada Entities’ records with respect to the Claims filed in the Claims Process. The Nordstrom Canada Entities and their counsel continue to meet with the Monitor weekly to discuss the status of the Claims Process and the efforts made to resolve creditor Claims in an efficient and streamlined manner.

14. The Nordstrom Canada Entities, in consultation with the Monitor, have reviewed all Proofs of Claim and Notices of Dispute of Negative Notice Claim received in the Claims Process, and

- 6 -

have communicated revisions, admittances or Notices of Revision or Disallowance to the vast majority of Claimants.

(i) Filed Claims

15. A detailed summary of the Claims filed in the Claims Process was included in the Eighth Report of the Monitor.

16. As set out in the Monitor's Eight Report, as of February 20, 2024:

- (a) 699 Claims had been: (i) reviewed, reconciled and allowed; or (ii) deemed allowed or disallowed as the time for a Claimant to object to a Notice of Revision or Disallowance ("**NORD**") issued by the Monitor had expired, or the Claimant had expressly agreed with the NORD as issued, in the aggregate amount of \$174.2 million (collectively, the "**Resolved Claims**"); and
- (b) 43 Claims in the aggregate asserted amount of \$2.5 million were "**Unresolved Claims**", comprised of:
 - (i) 38 Claims (including 19 Late Filed Claims) that were under review by the Nordstrom Canada Entities and the Monitor, some of which were subject to ongoing settlement discussions with Claimants;
 - (ii) four Claims where the Claimant's 30-day objection period in respect of an issued NORD had not yet expired; and
 - (iii) one Claim subject to a Notice of Dispute; and
- (c) the Monitor estimated that aggregate Proven Claims following the determination of the Unresolved Claims would be in the range of approximately \$194.8 million to \$198.6 million, subject to resolution of the "marker claim" filed by the CRA for

- 7 -

any amounts owing to the CRA (the “**CRA Marker Claim**”). The Nordstrom Canada Entities, in consultation with the Monitor, have had discussions with the CRA concerning the CRA Marker Claim and intend to work constructively with the CRA to resolve the CRA Marker Claim.

17. The 43 Unresolved Claims referred to in the Monitor’s Eighth Report included 16 Late Filed Claims received after December 11, 2023. The Monitor and the Nordstrom Canada Entities have reviewed the facts and circumstances surrounding each of these Late Filed Claims. As a result of this review, the Monitor, in consultation with the Nordstrom Canada Entities, has used its discretion pursuant to the Claims Procedure Order to admit these Claims received after December 11, 2023 into the Claims Process, subject to validation and reconciliation.

(b) Landlords

(i) Lease Monetization Process

18. As discussed in my affidavit sworn July 11, 2023, the Nordstrom Canada Entities, with the assistance of their real estate advisor, JLL, and the Monitor, negotiated lease transactions for the four Nordstrom Rack Leases that were not disclaimed. Those negotiations culminated in the execution of the Winners Agreement and the G2MC Agreement.

19. The Winners Agreement included transactions for the Leases of the Vaughan Mills, Deerfoot Meadows, and Ottawa Train Yards Nordstrom Rack locations. The consideration paid was \$350,000, being \$150,000 for Vaughan Mills and \$200,000 for Deerfoot Meadows. The Ottawa Train Yards Landlord subsequently exercised its right to terminate the Lease, and on

- 8 -

September 1, 2023, the Ottawa Train Yards Lease was terminated and keys to the Ottawa Train Yards Nordstrom Rack store were returned to the Ottawa Train Yards Landlord.

20. The transactions for the Vaughan Mills and Deerfoot Meadows Nordstrom Rack Leases closed on February 1, 2024, as contemplated, and the Monitor delivered the executed Monitor's Certificate confirming the completion of the transactions. As a result of adjustments made on closing, there was an additional payment by Winners to the Nordstrom Canada Entities of approximately \$229,000. This resulted in net proceeds of approximately \$408,000 to Canada Leasing LP, net of withholding taxes of \$175,000 currently withheld by Winners' counsel, which withholding taxes will be subject to payment to the CRA or be returned to Canada Leasing LP, in accordance with instructions from the CRA in a clearance certificate which has yet to be provided by the CRA.

21. As discussed in my affidavit sworn September 20, 2023, the transaction under the G2MC Agreement for the Heartland Nordstrom Rack Lease closed on July 20, 2023.

(ii) Settlement Agreements with Landlords of Nordstrom Rack Stores

22. As discussed in the Seventh Heckel Affidavit, the Nordstrom Canada Entities, with the assistance of the Monitor, entered into discussions with the Nordstrom Rack Landlords who had their Leases disclaimed as part of the CCAA proceedings, being the Landlords of the One Bloor Street East, Willowbrook Langley, and South Edmonton Common Nordstrom Rack locations (each a **"Supporting Rack Landlord"**), regarding a resolution of their CCAA Lease Claims.

- 9 -

23. Since the swearing of the Seventh Heckel Affidavit, the Nordstrom Canada Entities have finalized the definitive settlement agreement with the Landlord of the Willowbrook Nordstrom Rack store, and have therefore entered into separate Settlement Agreements with each of the Supporting Rack Landlords in respect of, among other things, such Landlords' Proven Claims pursuant to the Claims Procedure Order and the Plan (each a "**Supporting Rack Landlord Settlement Agreement**").

24. The terms of the Supporting Rack Landlord Settlement Agreements are described in the Seventh Heckel Affidavit.

(c) Termination of Employee Trust

25. The Initial Order approved the creation of the Employee Trust for the benefit of employees of Nordstrom Canada that was funded outside the estate by Nordstrom US. Nordstrom US, as Settlor, made an initial contribution to the Employee Trust of \$14 million on March 13, 2023, and an additional final contribution of \$1.2 million on September 13, 2023. The Employee Trust reimbursed a total of approximately \$14.6 million to Nordstrom Canada for Eligible Employee Claims (as defined in the Employee Trust Agreement) paid by Nordstrom Canada to employees. All Eligible Employee Claims have been reimbursed pursuant to the Employee Trust.

26. The September Stay Extension Order approved the wind-up and termination of the Employee Trust following the completion of remaining activities, and the release of the Administrator, Trustee, and Settlor from their respective obligations under the Trust Agreement and from any claims relating to their activities as Administrator, Trustee and Settlor, respectively.

- 10 -

27. The Seventh Heckel Affidavit describes the steps undertaken by the Nordstrom Canada Entities, the Monitor and the Trustee to wind-up the Employee Trust. After receipt of written confirmation to the termination and wind-up of the Employee Trust from the Settlor, the Trustee, the Administrator, Nordstrom Canada and Employee Representative Counsel, on December 28, 2023, the Monitor delivered the Employee Trust Termination Certificate, which was filed with the Court and served on the Service List. The Trustee and the Administrator have engaged MNP LLP to prepare the tax return and related reporting required as a result of the termination of the Employee Trust. I have been advised by the Monitor that this work is expected to be completed by the end of March 2024. Any remaining balance in the Employee Trust is to be returned to Nordstrom US.

(d) Letter Agreement with the CRA

28. As set out in the Seventh Heckel Affidavit, the Nordstrom Canada Entities, with the assistance of the Monitor and Nordstrom US, have been engaged with the CRA regarding certain Notices of Assessment issued by the CRA against NCH under Part XIII of the *Income Tax Act* dated June 27, 2023 (the “**CRA NCH Assessments**”). NCH filed Notices of Objection with respect to the CRA NCH Assessments on September 22, 2023 in a timely manner as it disagreed with such assessments.

29. The CRA NCH Assessments reflected the Minister’s position that NCH is liable to pay non-resident withholding tax pursuant to Part XIII of the *Income Tax Act* on behalf of Nordstrom International Limited (“**NIL**”) pursuant to subsection 215(6) in respect of interest paid by NCH to NIL in 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 with respect to the Canada Expansion

- 11 -

Loan. As described in the Seventh Heckel Affidavit, the CRA NCH Assessments also assessed penalties and arrears interest and were estimated to be in the total amount of approximately \$36 million as at June 27, 2023.

30. In order to resolve the CRA NCH Assessments as against the Nordstrom Canada Entities for the benefit of their third-party creditors and the CCAA proceedings as a whole, NIL, NCH and the Minister entered into an agreement (the “**CRA Agreement**”) pursuant to which the Minister agreed to vacate the CRA NCH Assessments as against NCH, and instead assess and accept security from NIL. NIL does not agree with and retained its entitlement to dispute the merits of the Minister’s position. The key terms of the CRA Agreement are outlined in the Seventh Heckel Affidavit.

31. Pursuant to the CRA Agreement, NIL delivered an original irrevocable standby letter of credit in the amount of \$39,298,779 to the Minister on December 20, 2023.² On January 10, 2024, the Minister vacated the CRA NCH Assessments, and new Notices of Assessment have been issued to NIL in accordance with the terms of the CRA Agreement.

32. As discussed below, a condition precedent to the implementation of the Plan is that the Minister shall have withdrawn and vacated the CRA NCH Assessments as contemplated by the CRA Agreement. This condition is now satisfied.

² On February 12, 2024, NIL delivered a replacement standby letter of credit in the amount of \$38,802,745.10 to the Minister in accordance with the CRA Agreement.

- 12 -

C. The Plan

33. The terms, mechanics and effect of the Plan are described in significant detail in the Seventh Heckel Affidavit. A copy of the Plan is attached as **Exhibit “B”**.³ In summary, in accordance with the Plan:

- (a) a single class of Affected Creditors is created for voting and distribution purposes;
- (b) certain Claims are to be unaffected by the Plan and will not be compromised, including any: (a) Excluded Claim; (b) Claim in respect of the Administrative Reserve Costs; (c) FLS Landlord Guarantee Claim; (d) Priority Claim; and (e) Insured Claim;
- (c) the Nordstrom Canada Entities will use all of their available cash to establish the Consolidated Cash Pool, NCL ITC Cash Pool, Administrative Reserve Account, and Disputed Claims Reserve Account;
- (d) each Affected Creditor with Proven Claims in the aggregate that are less than or equal to \$15,000 was deemed to be a “Convenience Class Creditor”, and each Affected Creditor with Proven Claims in the aggregate in excess of \$15,000 was able to elect to be treated for all purposes as a Convenience Class Creditor. Convenience Class Creditors were deemed to vote in favour of the Plan;

³ The Plan attached hereto is identical to the Plan that was accepted for filing pursuant to the Meeting Order other than the definition of “NIL” was corrected from Nordstrom International Limited, Inc. to Nordstrom International Limited.

- 13 -

(e) on the Plan Implementation Date, certain parties, listed below, will be released subject to certain specified carve-outs:

- (i) each of the Nordstrom Canada Entities and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents;
- (ii) (i) the Monitor, A&M, and their respective affiliates, and each of their current and former directors, officers, employees, representatives, advisors, legal counsel and agents, (ii) counsel to the Directors and Officers, (iii) the Trustee, and (iv) Employee Representative Counsel; and
- (iii) the Plan Sponsor, the Plan Sponsor Subsidiaries and their current and former directors, officers and employees and their respective advisors, legal counsel and agents.

As set out in the Seventh Heckel Affidavit, the Nordstrom Canada Entities believe it is appropriate to release the Plan Sponsor in the Plan given that Nordstrom US, while benefitting from the Plan, has also significantly contributed to the meaningful creditor recovery resulting from the Plan, and continues to contribute to the orderly wind down of the Nordstrom Canada Entities in a tangible and material way and will continue to do so after the Plan Implementation Date;

(f) the proposed Sanction and Vesting Order would order that the Intercompany Claims set out in Schedule “A” to the Plan are deemed to be Proven Claims for the purposes of the Claims Procedure Order and the Plan;

(g) on the Initial Distribution Date:

- (i) each Other Priority Claim Creditor will receive a distribution in the full amount of its Other Priority Claim;
- (ii) each Convenience Class Creditor will receive a distribution in the full amount of its Convenience Class Claim; and

- 14 -

- (iii) each Affected Creditor with a Proven Claim will receive an initial distribution in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on that date, with further distributions to Affected Creditors to be made in accordance with the Plan, provided that the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date will be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement with no further distributions to be made to the Supporting Rack Landlords under the Plan;
- (h) from and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, as applicable, will distribute to:
 - (i) each Affected Creditor with a Disputed Claim that has become a Proven Claim an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have already received pursuant to the Plan had its Claim been accepted as a Proven Claim prior to the applicable Distribution Date; and
 - (ii) each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution, which distribution will then be paid over to Nordstrom US pursuant to the FLS Landlord Settlement Agreements;
- (i) the Plan Implementation Date must occur by no later than June 30, 2024, unless otherwise ordered by the Court; and
- (j) on the Final Distribution Date, once there are no remaining Disputed Claims, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities will:
 - (i) first, pay any final Administrative Reserve Costs from the Administrative Reserve Account;

- 15 -

- (ii) second, contribute any balance remaining in the Administrative Reserve Account and the Disputed Claims Reserve Account to the Consolidated Cash Pool Account;
- (iii) third, distribute to the Affected Creditors with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of such Affected Creditor's Proven Claim;
- (iv) fourth, provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan (the "**Notice of Completion**"); and
- (v) as soon as reasonably practicable following delivery of the Notice of Completion, the Nordstrom Canada Entities shall seek the Discharge and Termination Order, among other things: (a) discharging the Monitor from its duties as monitor of the Nordstrom Canada Entities in these CCAA proceedings and releasing the Monitor and its advisors from all claims related to its activities as monitor; (b) terminating these CCAA proceedings; (c) authorizing the assignment into bankruptcy and/or dissolution under applicable corporate law of each of the Nordstrom Canada Entities; (d) discharging Employee Representative Counsel of their duties in these CCAA proceedings; and (e) releasing the Nordstrom Canada Entities and any Directors and Officers holding office following the Plan Implementation Date and their advisors from all claims upon the filing of the Monitor's Plan Completion Certificate.

(a) Nordstrom Canada Customer Data

34. The Nordstrom Canada Entities are in possession of customer-related data derived from the operation of the Nordstrom Canada Entities' business including, but not limited to, the Canada customer list(s) (the "**Canada Customer Data**"). The Plan contemplates the transfer of the Canada Customer Data to Nordstrom US (or its designee).

35. The proposed Sanction and Vesting Order provides that:

- (a) On the Plan Implementation Date, pursuant to Section 5.2(e) of the Plan, all of the Nordstrom Canada Entities' right, title and interest in and to the Canada Customer

- 16 -

Data shall vest absolutely in Nordstrom US (or its designee) free and clear of all Encumbrances;

- (b) pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), section 18(1)(i) of the *Personal Information Protection Act* (British Columbia) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Nordstrom Canada Entities are authorized and ordered to disclose all personal information in the Nordstrom Canada Entities' custody or control contained within the Canada Customer Data (the "**Personal Information**") to Nordstrom US; and
- (c) Nordstrom US will: (i) maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation; (ii) use and disclose the Personal Information for the purposes for which the Personal Information was collected, permitted to be used or disclosed by the Nordstrom Canada Entities and as may otherwise be permitted by Applicable Privacy Laws; and (iii) subject to paragraph 31 of the Order, give effect to any withdrawals of consent of the individuals to whom the Personal Information relates.

36. Hilco Valuation Services provided an independent valuation of the Canada Customer Data for purposes of these CCAA proceedings. According to Hilco Valuation Services, the Canada Customer Data, on a standalone basis, separate and apart from any other intellectual property owned by Nordstrom Canada and its affiliates, is of nominal value (with a total net value of

- 17 -

\$200,000). The Nordstrom Canada Entities have reviewed this valuation and based on their knowledge of the Canada Customer Data, agree with such valuation. I am also informed that the Monitor believes the valuation is reasonable. The remaining balance of the NINC-NCRI Services Claim, a Pre-Filing Claim by the Plan Sponsor against Nordstrom Canada for unpaid fees relating to the provision of shared services and the licensing of intellectual property pursuant to the License and Services Agreement, is \$17,461,179, having been reduced by \$200,000 (the fair market value of the Canada Customer Data), as a result of the partial settlement and satisfaction in accordance with the Plan Transaction Steps.

(b) Conditions Precedent

37. The implementation of the Plan is conditional upon the fulfilment or waiver, where applicable, of various conditions precedent. The conditions precedent include:

- (a) the Minister of National Revenue (Canada) shall have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor;
- (b) the Plan shall have been approved by the Required Majority of the Affected Creditors at the Creditors' Meeting;
- (c) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Nordstrom Canada Entities and the Monitor in respect of the Plan Transactions shall have been obtained;

- 18 -

- (d) the Sanction and Vesting Order shall have been granted by the Court, in a form satisfactory to the Nordstrom Canada Entities, and shall have become a Final Order; and
- (e) the Plan Implementation Date shall have occurred by no later than June 30, 2024, unless otherwise ordered by the Court.

38. Should the Court grant the proposed Sanction and Vesting Order, all conditions precedent are expected to be satisfied. Pursuant to 37(d), above, the Sanction and Vesting Order is required to have become a Final Order; however, this condition precedent can be waived by the Nordstrom Canada Entities, with the consent of the Monitor.

39. The proposed Sanction and Vesting Order provides that upon receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to the implementation of the Plan, as set out in Section 8.3 of the Plan, the Monitor shall deliver a certificate substantially in the form attached to the Sanction and Vesting Order as Schedule “B” (the “**Monitor’s Plan Implementation Date Certificate**”) to the Nordstrom Canada Entities and serve a copy of same on the Service List. Following the Plan Implementation Date, the Monitor will file a copy of the Monitor’s Plan Implementation Date Certificate with the Court and post a copy of the same on its Website.

40. Should the Sanction and Vesting Order be granted, the Nordstrom Canada Entities, with the assistance of the Monitor, are seeking to have the Plan Implementation Date as soon as reasonably possible, likely in April 2024.

- 19 -

D. Mailing of the Meeting Notice and Meeting Materials

41. To the best knowledge of the Nordstrom Canada Entities, the Nordstrom Canada Entities and the Monitor have complied with all of the requirements in the Meeting Order to disseminate materials concerning the Plan and the Creditors' Meeting to the Affected Creditors and other interested persons.

42. I am advised by the Monitor that it caused copies of the Letter to Creditors, Notice of Creditors' Meeting, the Proxy, the Convenience Class Claim Election, the Resolution, the Plan, and the Meeting Order (collectively, the "**Meeting Materials**"), to be posted on the Monitor's Website and served on the Service List on December 28, 2023. In addition, the Meeting Materials were sent to each Affected Creditor (other than Represented Employees) on January 10 or January 11, 2024 via email. An anonymized copy of the email that was sent to Affected Creditors is attached as **Exhibit "C"**. I am advised by the Monitor that it published notice of the Creditors' Meeting in *The Globe and Mail* (National Edition) on January 15, 2024.

43. On February 16, 2024, the Monitor also communicated with Affected Creditors whose economic interest should have caused them to submit a Convenience Class Claim Election, but who had not yet done so, reminding them of the requirement to submit such an election by February 28, 2024. As set out in the Monitor's Eighth Report, as of February 20, 2024, the Monitor had received 18 Convenience Class Elections.

44. The Nordstrom Canada Entities have continued to work closely with Employee Representative Counsel with respect to communications to employees. I am advised by the Monitor that it caused copies of the Meeting Materials to be sent to Employee Representative

- 20 -

Counsel on behalf of Represented Employees via email on January 10, 2024. An anonymized copy of the email that was sent to Employee Representative Counsel is attached as **Exhibit “D”**.

45. In addition, Employee Representative Counsel placed a notice on its website to assist employees in their consideration of the Plan. The notice includes Employee Representative Counsel’s recommendation that employees vote in favour of the Plan. Employee Representative Counsel was proactive in communicating with employees about the ability to elect down into the Convenience Class pursuant to the Plan.

E. The Creditors’ Meeting

46. The Creditors’ Meeting was held virtually on March 1, 2024. In accordance with the Meeting Order, Alan Hutchens of the Monitor acted as Chair. Other representatives of the Monitor acted as scrutineers.

47. In advance of the Creditors’ Meeting, on February 21, 2024, the Monitor served its Eighth Report regarding the Plan on the Service List and posted such report to its Website, in accordance with the CCAA.

48. Each Affected Creditor was permitted to attend the Creditors’ Meeting in person or appoint another person to attend as proxyholder. I am advised by the Monitor that the quorum requirement was satisfied.⁴ The Chair declared that the meeting was properly constituted.

⁴ The Meeting Order provided that the quorum was one Affected Creditor with a Voting Claim present in person (by electronic or virtual means) or by proxy.

- 21 -

49. The Monitor received proxy forms for 155 Claimants, 120 of which designated the Monitor as proxy. Convenience Class Claims represented approximately 71% in number and 7% in value of the Proven Claims that voted on the Plan.

50. I am advised by the Monitor that the Required Majority⁵ voted in favour of the Resolution and therefore approved the Plan. According to the Monitor's tabulation, 513 out of 513 Affected Creditors holding Voting Claims, representing approximately \$33.7 million in value, voted (or were deemed to vote pursuant to the Meeting Order) in favour of the Plan at the Creditors' Meeting. As such, 100% in number and 100% in value of the Affected Creditors holding undisputed Proven Claims present in person or by proxy at the Creditors' Meeting voted in favour of the Plan. In addition, two Claimants holding Disputed Claims, representing approximately \$77,080 in value, voted in favour of the Plan at the Creditor's Meeting. The voting results at the Creditors' Meeting are described more fully in the Monitor's Ninth Report dated March 6, 2024.

F. Plan Sanction

51. The Plan is the result of the Nordstrom Canada Entities' extensive discussions and/or negotiations with Nordstrom US, the Monitor, Landlords and a number of other stakeholders over many months. The Nordstrom Canada Entities have sought to achieve a fair and equitable balance in the Plan, and effect distributions on an efficient basis, while taking into consideration the interests of all stakeholders with an economic interest in these CCAA proceedings. As set out in the Monitor's Seventh and Eighth Reports, the Monitor supports the Plan. The Plan is also

⁵ The Meeting Order required the Resolution to be approved by that number of Affected Creditors representing at least two-thirds in value of the Voting Claims of Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the Creditors' Meeting or who were deemed to vote on the Resolution in accordance with the Plan and the Meeting Order.

- 22 -

supported by Employee Representative Counsel, the Nordstrom Canada Entities' former Landlords, and by all Affected Creditors who voted on the Plan at the Creditors' Meeting.

52. The Plan presents significant benefits to the Nordstrom Canada Entities' stakeholders, including that it will result in significant, timely recoveries without costly litigation and delay. The Nordstrom Canada Entities believe that on balance, the Affected Creditors as a whole will derive a greater benefit from the implementation of the Plan than would result from a non-consolidated plan or results that could have been achieved in a bankruptcy of the Nordstrom Canada Entities.

53. The fairness and reasonableness of the Plan is shown by the Affected Creditors' overwhelming unanimous approval at the Creditors' Meeting. This reinforces the Nordstrom Canada Entities' belief that the Plan is the most reasonable and fair resolution to these CCAA Proceedings in these circumstances.

54. Throughout the course of these CCAA proceedings, the Nordstrom Canada Entities have acted in good faith and with due diligence. The Plan complies with the requirements under the CCAA and the Orders of this Court. The Nordstrom Canada Entities believe that the sanction of this Plan is fair and reasonable.

G. Extension of the Stay Period

55. The Initial Order granted a Stay Period until and including March 12, 2023. The Stay Period was extended to March 20, 2023, June 30, 2023, September 29, 2023, and later to December

- 23 -

22, 2023. The Stay Period was subsequently extended to April 5, 2024 pursuant to the Meeting Order.⁶

56. The Applicants are seeking to extend the Stay Period, including by extension the Co-Tenancy Stay, up to and including June 28, 2024. As set out above, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings since the granting of the Meeting Order. In particular, the Nordstrom Canada Entities have worked diligently to prepare for and conduct the Creditors' Meeting to vote on the Plan, which if sanctioned and implemented is expected to provide finality and certainty in these CCAA proceedings in a timely manner and provide meaningful recoveries to Creditors.

57. An extension of the Stay Period is necessary to permit the Nordstrom Canada Entities to implement the Plan. The Nordstrom Canada Entities believe that maintaining the Co-Tenancy Stay during the next stage of the case will continue to provide stability to these CCAA proceedings.

58. As set out in the Monitor's Ninth Report, the consolidated cash balance of the Nordstrom Canada Entities as of March 2, 2024 is approximately \$80.5 million. Accordingly, the Monitor has confirmed that the Nordstrom Canada Entities will have sufficient cash resources to continue their wind down through to June 28, 2024.

59. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down. I believe that the proposed extension of the Stay Period is in the best interests of the Nordstrom Canada Entities and their

⁶ The Initial Order also included a "Parent Stay" in favour of Nordstrom US that expired in accordance with its terms on September 30, 2023.

- 24 -

stakeholders. I am also informed by the Monitor that it supports the request to extend the Stay Period.

SWORN BEFORE ME over
videoconference this 8th day of March, 2024 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 of Toronto, in the
Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

HANNAH DAVIS
LSO# 85047N



MISTI HECKEL

**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 OF MISTI HECKEL

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

This is **Exhibit “C”** referred to in the Affidavit of Misti Heckel
sworn December 2, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

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

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

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

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

APPLICANTS

**AFFIDAVIT OF MISTI HECKEL
(Sworn June 19, 2024)**

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 ("**NCL**" or "**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**" or the "**Plan Sponsor**"), 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 the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective 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 an order, among other things, extending the Stay Period (and by extension, the Co-Tenancy Stay) until and including December 20, 2024.

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

5. This affidavit is organized into the following sections:

A.	Background	3
B.	The Plan	5
	(a) Engagement of Kroll	5
	(b) Conditions Precedent	7
	(c) Creation of Accounts	8
	(d) Plan Implementation Date	9
	(i) Realty Tax Appeals	11
	(ii) Canada Customer Data	12
	(e) Initial Distribution	14
C.	Update on the CCAA Proceedings	16
	(a) Claims Process	16
	(b) Termination of Employee Trust	17
	(c) Customs Bond	18
	(d) Data Security Breach	19
D.	Extension of the Stay Period	20

A. Background

6. The background to these CCAA proceedings and an extensive description of the Consolidated Plan of Compromise and Arrangement dated December 13, 2023 (as amended, the “**Plan**”) are set out in my affidavit sworn December 13, 2023 (the “**Seventh Heckel Affidavit**”) and my affidavit sworn March 8, 2024 (the “**Eighth Heckel Affidavit**”). A copy of the Seventh Heckel Affidavit, without exhibits, is attached as **Exhibit “A”**. A copy of the Eighth Heckel Affidavit, without exhibits, is attached as **Exhibit “B”**.

7. On December 20, 2023, the Court granted the Meeting Order¹, which, among other things, accepted the filing of the Plan, authorized the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”), provided for the manner of dissemination to the Affected Creditors of the Meeting Materials for the Creditors’ Meeting, and extended the Stay Period until and including April 5, 2024.

8. The Creditors’ Meeting to vote on the Plan was held on March 1, 2024. The Nordstrom Canada Entities achieved the Required Majority of votes needed to approve the Plan. According to the Monitor’s tabulation, the Affected Creditors holding Proven Claims that were present in person or by proxy and voted (or were deemed to vote) at the Creditors’ Meeting voted unanimously to approve the Resolution in favour of the Plan.

9. On March 19, 2024, the Court granted an order (the “**Sanction Order**”) which, among other things, sanctioned the Plan and authorized the Nordstrom Canada Entities and the Monitor to implement it, and extended the Stay Period until and including June 28, 2024. A copy of the

¹ Capitalized terms not otherwise defined in this affidavit have the meanings given to them in the Seventh Heckel Affidavit, the Eighth Heckel Affidavit or the Plan, as applicable.

Sanction Order (without exhibits) is attached as **Exhibit “C”**. A copy of the Honourable Chief Justice Morawetz’s Endorsement dated March 20, 2024 (the “**Sanction Order Endorsement**”) is attached as **Exhibit “D”**.

10. Since the Sanction Order was granted on March 19, 2024, the Nordstrom Canada Entities, in close consultation with the Monitor, have made significant progress in these CCAA proceedings, including by:

- (a) implementing the Plan and engaging in all activities and actions required in connection therewith;
- (b) retaining Kroll (as defined below) to effect distributions to Affected Creditors pursuant to the Plan;
- (c) effecting an initial distribution to Affected Creditors (other than Other Priority Claim Creditors, Convenience Class Creditors and Supporting Rack Landlords who were paid their entitlements under the Plan in full) with Proven Claims of 72% of the amount of such Proven Claims on the Initial Distribution Date (as defined below);
- (d) continuing to implement the Claims Process and working to resolve creditor Claims filed in the Claims Process; and
- (e) working to complete the orderly wind down of their business as part of these CCAA proceedings.

B. The Plan**(a) Engagement of Kroll**

11. Pursuant to paragraph 21 of the Sanction Order, the Nordstrom Canada Entities were authorized, with the consent of the Monitor, to retain a third-party payment agent to assist with and facilitate any distributions or payments to be made pursuant to the Plan. Following discussions with multiple firms, on April 17, 2024, the Nordstrom Canada Entities, with the consent of the Monitor, entered into a Disbursing Agent Agreement with Kroll Restructuring Administration LLC (“**Kroll**”). Pursuant to the Disbursing Agent Agreement, Kroll was authorized to establish bank accounts for the purpose of satisfying distributions pursuant to the Plan and to facilitate disbursements from those accounts.

12. On April 22, 2024, the Monitor sent an email to all Other Priority Claim Creditors, Convenience Class Creditors, and certain other Affected Creditors, including Employees, informing them that Plan distributions would be administered by Kroll on behalf of the Nordstrom Canada Entities. The email further advised that Creditors would receive an email from Digital Disbursements, the digital payment portal, regarding selection of a preferred payment method for receipt of distributions under the Plan, and that if a preferred payment method was not selected by the applicable deadline, distributions would be made via cheque sent to the address indicated on the recipient’s Proof of Claim.² A copy of the Monitor’s April 22, 2024 email is attached as **Exhibit “E”**.

² Where applicable, cheques would be sent by Kroll to the address indicated on the recipient’s Negative Notice Claim.

13. On April 23, 2024, Employee Representative Counsel uploaded a notice to their website following the April 22, 2024 email from the Monitor. The notice reiterated to Represented Employees that distributions would be made by Kroll, and that Represented Employees should expect an email from Digital Disbursements with instructions to select their preferred payment method for receiving distributions made pursuant to the Plan. The notice also reminded Represented Employees to select their preferred payment method by the deadline. A copy of the notice published by Employee Representative Counsel is attached as **Exhibit “F”**.

14. Kroll sent an email (through Digital Disbursements) on April 29, 2024 to all Convenience Class Creditors, Other Priority Claim Creditors, and certain other Affected Creditors in the US and Canada, and on May 1, 2024 to all Convenience Class Creditors, Other Priority Claim Creditors, and other Affected Creditors located outside of the US or Canada with instructions to select a preferred payment method to receive distributions made pursuant to the Plan. The email advised that if a preferred payment method was not selected by May 8, 2024, all distributions would be sent by cheque to the address indicated on the recipient’s Proof of Claim and that Creditors may be forever barred, without compensation, if they failed to cash their distribution before it became stale dated. The email also included the total amount of the recipient’s Proven Claim(s).

15. On May 3, 2024, Kroll sent an additional email reminding all Convenience Class Creditors, Other Priority Claim Creditors, and other Affected Creditors to select a preferred payment method before the May 8, 2024 deadline.

16. By the May 8, 2024 deadline, a total of 392 Creditors chose to be paid through electronic payments (i.e. ACH, EFT, Wire), and 124 Creditors chose to be paid by cheque. 196 Creditors did not select a preferred payment method by the deadline, and as a result, their initial distributions

under the Plan were paid via cheque sent to the address on the recipient's Proof of Claim on or about the Initial Distribution Date. Payments to Landlords and payments on account of Intercompany Claims were made directly by Nordstrom Canada via wire transfer.

(b) Conditions Precedent

17. As described in the Eighth Heckel Affidavit, the implementation of the Plan was conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent:

- (a) the Minister of National Revenue (Canada) shall have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor (which condition precedent was satisfied prior to the Sanction Order motion);
- (b) the Plan shall have been approved by the Required Majority of the Affected Creditors at the Creditors' Meeting;
- (c) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Nordstrom Canada Entities and the Monitor in respect of the Plan Transactions shall have been obtained;
- (d) the Sanction Order shall have been granted by the Court, in a form satisfactory to the Nordstrom Canada Entities, and shall have become a Final Order; and
- (e) the Plan Implementation Date shall have occurred by no later than June 30, 2024, unless otherwise ordered by the Court.

18. As described above, the Court granted the Sanction Order on March 19, 2024, and the 21-day appeal period for the Sanction Order expired on April 9, 2024.

19. The Sanction Order provides that upon receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to the implementation of the Plan, as set out in Section 8.3 of the Plan, the Monitor shall deliver a certificate substantially in the form attached to the Sanction Order as Schedule “B” (the “**Monitor’s Plan Implementation Date Certificate**”) to the Nordstrom Canada Entities and serve a copy of same on the Service List. On April 25, 2024, following its receipt of notice from the Nordstrom Canada Entities that all conditions precedent had been satisfied, the Monitor caused the Monitor’s Plan Implementation Date Certificate to be provided to the Nordstrom Canada Entities, served on the Service List, and posted on the Monitor’s Website. On April 26, 2024, the Monitor filed the Monitor’s Plan Implementation Date Certificate with the Court. A copy of the Monitor’s Plan Implementation Date Certificate is attached as **Exhibit “G”**.

(c) Creation of Accounts

20. The Plan required the Nordstrom Canada Entities to establish the Consolidated Cash Pool Account, NCL ITC Cash Pool Account, Administrative Reserve Account, and Disputed Claims Reserve Account no less than five (5) business days prior to Plan Implementation Date. On April 9, 2024, the Nordstrom Canada Entities sent a Letter of Direction to the Bank of Nova Scotia requesting creation of the Consolidated Cash Pool Account, NCL ITC Cash Pool Account, Administrative Reserve Account, and Disputed Claims Reserve Account.

21. Following confirmation that the accounts were open and active, on April 18, 2024, the Monitor, in consultation with the Nordstrom Canada Entities, determined the amounts of the

Disputed Claims Reserve and Administrative Reserve to be funded on the Plan Implementation Date. The Administrative Reserve amount was set at approximately \$5.6 million, and the Disputed Claims Reserve amount was set at approximately \$6.2 million.

22. Following the finalization of the Disputed Claims Reserve on April 18, 2024, certain Disputed Claims became Proven Claims prior to the Initial Distribution Date. Pursuant to the Plan, on May 3, 2024, \$703,052.02 was transferred from the Disputed Claims Reserve to the Consolidated Cash Pool to be included in the initial distribution.

(d) Plan Implementation Date

23. The Plan Implementation Date occurred on April 25, 2024. In accordance with the Plan Transaction Steps:

- (a) the Plan Sponsor caused the NINC-NCH Services Claim to be contributed to the capital of NCH, in full and final settlement and extinguishment of the NINC-NCH Services Claim;
- (b) the Plan Sponsor caused the NINC-NCHII Services Claim to be contributed to the capital of NCH, and NCH in turn contributed the NINC-NCHII Services Claim to the capital of NCHII, in full and final settlement and extinguishment of the NINC-NCHII Services Claim;
- (c) NCL became obligated to pay to the Plan Sponsor the Cash amount of any Plan Sponsor ITCs at such time they are received or realized by NCL³;

³ No Plan Sponsor ITCs were held by the NCL as of the Plan Implementation Date.

- (d) the Nordstrom Canada Entities assigned the Realty Tax Appeals (as defined below) to Yorkdale Shopping Centre Holdings Inc. (“YSCHI”);
- (e) in partial settlement and satisfaction of the NINC-NCRI Services Claim, the Canada Customer Data (as defined below) was transferred to the Plan Sponsor;
- (f) in full and final settlement and satisfaction of the Net NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim:
 - (i) Nordstrom Canada and the Plan Sponsor fully and finally settled and satisfied the Net NINC-NCRI Services Claim by way of set-off of such claim against the NCRI Transfer Pricing Claim, such that the amount of the NCRI Transfer Pricing Claim was partially settled and reduced to the Net NCRI Transfer Pricing Claim; and
 - (ii) the Plan Sponsor paid to Nordstrom Canada the Cash amount of the Net NCRI Transfer Pricing Claim in full and final settlement and satisfaction of the Net NCRI Transfer Pricing Claim;
- (g) Nordstrom Canada paid from its Cash to NCL the Cash amount of the NCL Post-Filing Sublease Rent Claim in full and final settlement and satisfaction of the NCL Post-Filing Sublease Rent Claim, which amount was directed by NCL to the Consolidated Cash Pool;
- (h) the NCL-NCRI Claims Settlement Agreement was deemed to be effective, pursuant to which NCL directed Nordstrom Canada to contribute the NCL-NCRI Claims Settlement Amount to the Consolidated Cash Pool on behalf of and for the benefit of NCL;
- (i) concurrently:
 - (i) Each of the Nordstrom Canada Entities delivered to Nordstrom Canada all of their Cash, if any, including all proceeds of sale from the Liquidation

Sale and the Lease Monetization Process, to be held by Nordstrom Canada in the Consolidated Cash Pool Account;

- (ii) NCL became obligated to deliver to Nordstrom Canada the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, to be held by Nordstrom Canada in the Consolidated Cash Pool Account; and
 - (iii) NCL became obligated to deliver to Nordstrom Canada the amount of any NCL FLS Distribution ITCs as and when received by NCL, to be held by Nordstrom Canada in the NCL ITC Cash Pool Account;
- (j) concurrently:
- (i) Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, transferred \$5.6 million to the Administrative Reserve Account from the Consolidated Cash Pool; and
 - (ii) Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, transferred \$6.2 to the Disputed Claims Reserve Account from the Consolidated Cash Pool;
- (k) the Administration Charge and the Directors' Charge were deemed to continue to attach solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order; and
- (l) the releases in Article 7 of the Plan became effective.

(i) Realty Tax Appeals

24. As described in the Seventh Heckel Affidavit, pursuant to Oxford's FLS Landlord Settlement Agreement: the Nordstrom Canada Entities and YSCHI were required to work cooperatively in respect of all matters relating to the proceedings commenced as a result of the realty tax appeals filed by Canada Leasing LP before the Assessment Review Board for tax years 2020, 2021, 2022, and 2023 (the "**Realty Tax Appeals**"); and the Nordstrom Canada Entities were required to, with the support of the Monitor, seek approval of the Court to assign, set over and transfer to YSCHI, any and all of Canada Leasing LP's right, title and interest in and to any

amounts recovered by Canada Leasing LP pursuant to the Realty Tax Appeals. Subsequent to entering into the FLS Landlord Settlement Agreement with YSCHI, the Realty Tax Appeals for years 2020 and 2023 were discontinued, leaving only the appeals for 2021 and 2022 (the “**Remaining Realty Tax Appeals**”) to be transferred to YSCHI pursuant to the Plan.

25. On the Plan Implementation Date, in accordance with the Plan Transaction Steps and pursuant to an Assignment Agreement entered into between Canada Leasing LP and YSCHI (the “**Realty Taxes Assignment Agreement**”), the Nordstrom Canada Entities assigned, set over and transferred to YSCHI, (a) any and all of NCL’s right, title and interest in and to any amounts recovered by NCL pursuant to the Remaining Realty Tax Appeals; and (b) on an “as is, where is” basis, any and all of NCL’s right, title and interest in and to the Remaining Realty Tax Appeals, and all of NCL’s benefits, burdens, obligations and liabilities related to such Remaining Realty Tax Appeals. A form of email notice to the Assessment Review Board, to be sent following execution of the Realty Taxes Assignment Agreement, was also attached as Schedule “A” to the Realty Taxes Assignment Agreement.

26. On May 3, 2024, a notice was filed with the Assessment Review Board via email, in the proposed form, advising the Assessment Review Board that the Nordstrom Canada Entities had assigned the Remaining Realty Tax Appeals to YSCHI and asking the Assessment Review Board to amend its records accordingly.

(ii) Canada Customer Data

27. As described in the Eighth Heckel Affidavit, the Nordstrom Canada Entities were in possession of customer-related data derived from the operation of the Nordstrom Canada Entities’ business including, but not limited to, the Canada customer list(s) (the “**Canada Customer**

Data”). The Plan includes the transfer of the Canada Customer Data to Nordstrom US (or its designee).

28. The Sanction Order provides that:

- (a) on the Plan Implementation Date, pursuant to Section 5.2(e) of the Plan, all of the Nordstrom Canada Entities’ right, title and interest in and to the Canada Customer Data shall vest absolutely in Nordstrom US (or its designee) free and clear of all Encumbrances;
- (b) pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), section 18(1)(i) of the *Personal Information Protection Act* (British Columbia) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Nordstrom Canada Entities are authorized and ordered to disclose all personal information in the Nordstrom Canada Entities’ custody or control contained within the Canada Customer Data (the “**Personal Information**”) to Nordstrom US; and
- (c) Nordstrom US will: (i) maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation; (ii) use and disclose the Personal Information for the purposes for which the Personal Information was collected, permitted to be used or disclosed by the Nordstrom Canada Entities and as may otherwise be permitted by Applicable Privacy Laws (as defined in the Sanction Order); and (iii) subject to paragraph 31 of the Sanction

Order, give effect to any withdrawals of consent of the individuals to whom the Personal Information relates.

29. On March 21, 2024, the Plan Sponsor, on behalf of the Nordstrom Canada Entities, sent an email advising of the transfer of the Canada Customer Data to Canadian customers on the Nordstrom Canada marketing list who had made a purchase at a Nordstrom Canada store within two years prior to store closure. The email sought consent for the Plan Sponsor to continue sending marketing emails to those customers. A copy of the March 21, 2024 email is attached as **Exhibit “H”**. A subsequent reminder email was sent on March 28, 2024.

(e) Initial Distribution

30. Pursuant to the Plan, the **“Initial Distribution Date”** means a date no more than five (5) Business Days after the Plan Implementation Date or such other date as the Nordstrom Canada Entities and the Monitor may agree. With the consent of the Monitor, the Initial Distribution Date occurred on May 15, 2024, following finalization of the Disbursing Agent Agreement, creation of the accounts (as described above), and receipt of all other processing information required by Kroll to facilitate distributions to Creditors.

31. As described in the Seventh and Eighth Heckel Affidavits, pursuant to the Plan, on the Initial Distribution Date:

- (a) each Other Priority Claim Creditor would receive a distribution in the full amount of its Other Priority Claim;
- (b) each Convenience Class Creditor would receive a distribution in the full amount of its Convenience Class Claim; and

- (c) each other Affected Creditor with a Proven Claim would receive an initial distribution in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on that date, with further distributions to Affected Creditors to be made in accordance with the Plan, provided that the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date would be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement with no further distributions to be made to the Supporting Rack Landlords under the Plan.

32. On the Initial Distribution Date⁴, the following net initial distributions were made from the Consolidated Cash Pool, as facilitated by Kroll and Nordstrom Canada: \$716,882 to Other Priority Claim Creditors; \$2,271,075 to Convenience Class Creditors; \$8,834,965 to Supporting Rack Landlords; and \$127,037,404 to other Affected Creditors. With respect to such other Affected Creditors, these amounts represented a recovery of approximately 72% on the Proven Claims to date.

33. As part of the distributions noted above, Nordstrom Canada made payments from the Consolidated Cash Pool to:

- (a) the FLS Landlords – on account of HST/GST exigible as a result of distributions on the CCAA Lease Claims and other amounts owing pursuant to the applicable settlement agreements; and

⁴ One Affected Creditor's initial distribution was made on May 17, 2024 to deal with a technical issue related to the making of such payment.

- (b) Nordstrom US – on account of the Employee Trust Subrogated Claim, NINC-NCL Services Claim, NIL Canada Expansion Loan Claim, and distributions directed to Nordstrom US pursuant to the FLS Landlord Settlement Agreements.

34. On the Initial Distribution Date, statements for the initial distribution were communicated to claimants, assignees, and landlords. Wire payments were also made from the Administrative Reserve Account for the outstanding costs detailed in Section 6.8 of the Plan.

35. Pursuant to the Plan, all claims for undeliverable or uncashed distributions in respect of Proven Claims must be made no later than four months following the Initial Distribution Date, after which date the Claims of such Creditor with respect to such unclaimed or uncashed distributions are forever discharged and barred, and the Cash amount held by Nordstrom Canada in relation to such Claims will be returned to the Consolidated Cash Pool Account. The Monitor and the Nordstrom Canada Entities have made reasonable attempts to deliver all distributions.

C. Update on the CCAA Proceedings

(a) Claims Process

36. Since the swearing of the Eighth Heckel affidavit, the Nordstrom Canada Entities and the Monitor have continued to work to resolve the small number of remaining Claims filed in the Claims Process. I understand that the Monitor will provide an update on the Disputed Claims included in the Disputed Claims Reserve in the Report that it will be filing in connection with this motion.

37. With respect to the CRA Marker Claim, a revised version of the Claim has recently been filed. I have been actively working with the CRA, in consultation with the Monitor, to reconcile

the CRA Marker Claim with the Nordstrom Canada Entities' accounts. The Nordstrom Canada Entities and the Monitor remain of the view that the CRA Marker Claim, once resolved, will not materially affect the recoveries analysis provided to Affected Creditors in connection with the Plan.

38. With respect to Employee Claims, as discussed in the Seventh Heckel Affidavit, the Monitor delivered Negative Notice Claims to 95 employees totaling approximately \$1.3 million. A total of 15 employee and workplace-related claims (such claims, collectively the **“Employee Claims”**), totaling \$464,275, were filed by the Claims Bar Date. Of those Employee Claims, nine were Pre-Filing Claims totaling \$164,074, five were Restructuring Period Claims totaling \$224,437, and one was a Pre-Filing and Restructuring Period Claim totaling \$75,763.

39. The Nordstrom Canada Entities, in consultation with the Monitor, engaged with Employee Representative Counsel to address the Employee Claims in an efficient and streamlined manner. All Employee Claims have now been resolved, and initial distributions to Employees were made on the Initial Distribution Date.

(b) Termination of Employee Trust

40. As described in the Eighth Heckel Affidavit, following the Monitor's delivery of the Employee Trust Termination Certificate on December 28, 2023, the Trustee and the Administrator engaged MNP LLP to prepare the tax return and related reporting required as a result of the termination of the Employee Trust. I have been advised by the Monitor that as of April 2, 2024, the Monitor and MNP LLP filed all tax forms, and the tax owing has been paid. Any remaining balance in the Employee Trust will be returned to Nordstrom US in accordance with its terms.

(c) **Customs Bond**

41. Prior to the commencement of the CCAA proceedings, Intact Insurance Company (“**Intact**”), as surety on behalf of Nordstrom Canada, issued Bond Number 962030012 (the “**Bond**”), in favour of His Majesty in right of Canada in accordance with the *Customs Act* and the *Accounting for Imported Goods and Payment of Duties Regulations*. Nordstrom Canada required the posting of the Bond to facilitate the importation of merchandise and goods in connection with the operation of its business. Intact is holding cash collateral of approximately \$1.3 million (the “**Cash Collateral**”) in respect of its potential exposure under the Bond pursuant to a Cash Transfer Agreement dated July 28, 2021.

42. In recent months, the Monitor and its counsel have engaged in correspondence with Intact and with the Canada Border Services Agency (“**CBSA**”) with a view to obtaining the return of the Cash Collateral. On May 8, 2024, a representative of the CBSA confirmed to the Monitor that, while the CBSA has until August 17, 2024 to initiate any claims against the Bond, there is no amount owing by Nordstrom Canada to the CBSA and the CBSA will not be initiating any claims against the Bond.

43. On June 14, 2024, Intact advised the Monitor’s counsel that it had received the Bond from the CBSA and was in the process of returning the Cash Collateral to Nordstrom Canada. The Cash Collateral, once received by Nordstrom Canada, will be deposited into the Consolidated Cash Pool Account.

(d) **Data Security Breach**

44. As set out in the Sanction Order Endorsement, Court-appointed Employee Representative Counsel, Ursel Phillips Fellows Hopkinson LLP (“**UPFH**”), advised the Court that UPFH's IT service provider had experienced a data security breach of its systems (the “**Data Security Breach**”), which affected certain UPFH IT systems involving personal information of certain former employees of Nordstrom Canada. The Sanction Order Endorsement stated that Employee Representative Counsel had advised the Court that UPFH was taking the necessary steps to determine the scope and extent of the Data Security Breach for the purpose of notifying former Nordstrom Canada employees and would provide appropriate notification to former Nordstrom Canada employees, as well as regular updates to Nordstrom Canada and the Monitor about UPFH’s notification and other relevant efforts in this regard.

45. Since the Sanction Order Endorsement, on March 20, 2024, UPFH posted a notice on the Nordstrom Canada page of UPFH’s website summarizing the incident, advising that impacted individuals would be notified as soon as possible, and providing contact information in the event these individuals had questions or concerns. A copy of the notice on UPFH’s website is attached as **Exhibit “I”**.

46. Between April 2 and 19, 2024, UPFH sent a notice directly to all former Nordstrom Canada employees for whom it had contact information informing them that the Data Security Breach had occurred, what data was affected and what had been done in response to the incident (the “**UPFH Notice**”). In particular, UPFH advised that it had retained its own cybersecurity firm to investigate the implications of the Data Security Breach, disconnected the problematic server, wiped all UPFH computers, retained cyber breach counsel, retained an independent expert to monitor the

accessibility of UPFH's data, and rolled out a new IT system to limit risk of similar incidents occurring in the future. All recipients of the notice were offered one year of identity theft protection. A copy of the body of the UPFH Notice is attached hereto as **Exhibit "J"**.

47. I am advised by UPFH that since the distribution of the UPFH Notice, UPFH has continued to respond to inquiries from former Nordstrom Canada employees with respect to the Data Security Breach.

D. Extension of the Stay Period

48. The Initial Order granted a Stay Period until and including March 12, 2023. The Stay Period was extended to March 20, 2023, June 30, 2023, September 29, 2023, December 22, 2023, and later to April 5, 2024. The Stay Period was subsequently extended to June 28, 2024 pursuant to the Sanction Order.⁵

49. The Applicants are seeking to extend the Stay Period, including by extension the Co-Tenancy Stay, up to and including December 20, 2024. As set out above, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings since the granting of the Sanction Order. In particular, the Nordstrom Canada Entities have worked diligently to implement the Plan, which is expected to provide finality and certainty in these CCAA proceedings in a timely manner and provide meaningful recoveries to Creditors. The initial distribution was in the amount of approximately 72% of Proven Claims of Affected Creditors (other than Other Priority Claim Creditors, Convenience Class Creditors and Supporting Rack Landlords). As discussed in the

⁵ The Initial Order also included a "Parent Stay" in favour of Nordstrom US that expired in accordance with its terms on September 30, 2023.

Monitor's Eighth Report, it is still anticipated such Affected Creditors will receive a total distribution of 72-75% of their Proven Claims.

50. An extension of the Stay Period is necessary to permit the Nordstrom Canada Entities to continue to implement the Plan, resolve the remaining Claims in the Claims Process including the CRA Marker Claim, make additional distributions to Affected Creditors, and prepare for the termination of these CCAA proceedings. The Nordstrom Canada Entities also believe that maintaining the Co-Tenancy Stay during the next stage of the case will continue to provide stability to these CCAA proceedings.

51. As set out above, the Monitor, in consultation with the Nordstrom Canada Entities, determined the quantum of the Administrative Reserve prior to the Plan Implementation Date. Accordingly, the Nordstrom Canada Entities and the Monitor are of the view that the Nordstrom Canada Entities will have sufficient cash resources to continue their wind down through to December 20, 2024.

52. The Nordstrom Canada Entities currently intend to come back to Court before the end of 2024 to seek a Discharge and Termination Order.

53. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down through the implementation of the Plan. I believe that the proposed extension of the Stay Period is in the best interests of the Nordstrom Canada Entities and their stakeholders. I am also informed by the Monitor that it supports the request to extend the Stay Period.

22

SWORN BEFORE ME over
videoconference this 19th day of June, 2024 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 of Toronto, in the
Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

HANNAH DAVIS
LSO# 85047N



MISTI HECKEL

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 OF MISTI HECKEL
OSLER, HOSKIN & HARCOURT LLP 100 King Street West 1 First Canadian Place Suite 6200, P.O. Box 50 Toronto ON M5X 1B8 Tracy C. Sandler (LSO# 32443N) Tel: 416.862.5890 Email: tsandler@osler.com Jeremy Dacks (LSO# 41851R) Tel: 416.862.4923 Email: jdacks@osler.com Martino Calvaruso (LSO# 57359Q) Tel: 416.862.6665 Email: mcalvaruso@osler.com Marleigh Dick (LSO# 79390S) Tel: 416.862.4725 Email: mdick@osler.com Lawyers for the Applicants	

This is **Exhibit “D”** referred to in the Affidavit of Misti Heckel
sworn December 2, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

From: Nordstrom Canada <NordstromCanada@alvarezandmarsal.com>
Sent: Thursday, August 15, 2024 10:49 AM
To: Nordstrom Canada
Cc: NordstromCanadaInfo@ra.kroll.com
Subject: RE: ACTION REQUIRED | Nordstrom Canada Entities – Outstanding Initial Distribution

Importance: High

RE: Initial Distribution | Consolidated Plan of Compromise and Arrangement of Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, Nordstrom Canada II, LLC, and Nordstrom Canada Leasing LP (Collectively, the “Nordstrom Canada Entities”

To Other Priority Claim Creditors, Convenience Class Creditors and Affected Creditors

You are receiving this communication as we have not received a response to our prior communications and the cheque issued to you for the Initial Distribution has yet to be cashed. Please note that the cheques will be void as of September 15, 2024.

If the cheque is in your possession, please deposit the cheque or if you have not yet received the distribution, please respond to this e-mail (to both NordstromCanada@alvarezandmarsal.com and nordstromcanadainfo@ra.kroll.com) with the subject line Nordstrom Canada | Initial Distribution [Claimant Name].

Thank you,

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3501
Toronto, ON M5J 2J1

[AlvarezandMarsal.com](https://www.alvarezandmarsal.com)

Follow and connect with A&M:
[LinkedIn](#) | [Twitter](#) | [Facebook](#)

From: Nordstrom Canada
Sent: Monday, July 15, 2024 10:44 PM
To: Nordstrom Canada <NordstromCanada@alvarezandmarsal.com>
Cc: NordstromCanadaInfo@ra.kroll.com
Subject: ACTION REQUIRED | Nordstrom Canada Entities – Outstanding Initial Distribution

RE: Initial Distribution | Consolidated Plan of Compromise and Arrangement of Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, Nordstrom Canada II, LLC, and Nordstrom Canada Leasing LP (Collectively, the “Nordstrom Canada Entities”

To Other Priority Claim Creditors, Convenience Class Creditors and Affected Creditors

On May 15, 2024, an Initial Distribution (payable by cheque) was sent to either: (i) the address provided in the payment selection portal administered by Kroll Restructuring Administration LLC (the “Disbursing Agent”); or (ii) if no selection was received, to the address listed on your proof of claim.
At this time, the cheque has not yet been cashed.

If the cheque is in your possession, please deposit the cheque or if you have not yet received the distribution, please respond to this e-mail (to both NordstromCanada@alvarezandmarsal.com and nordstromcanadainfo@ra.kroll.com) with the subject line Nordstrom Canada | Initial Distribution [Claimant Name].

If you have any questions, please e-mail NordstromCanada@alvarezandmarsal.com.

Alvarez & Marsal Canada

Royal Bank Plaza, South Tower
200 Bay Street, Suite 3501
Toronto, ON M5J 2J1

AlvarezandMarsal.com

Follow and connect with A&M:

[LinkedIn](#) | [Twitter](#) | [Facebook](#)

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 OF MISTI HECKEL

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

TAB 3

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

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

THE HONOURABLE)	MONDAY, THE 9 TH
)	
CHIEF JUSTICE MORAWETZ)	DAY OF DECEMBER, 2024

**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

STAY EXTENSION ORDER

THIS MOTION, made by Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, and Nordstrom Canada Holdings II, LLC (collectively, the “**Applicants**”, and together with Nordstrom Canada Leasing LP, the “**Nordstrom Canada Entities**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, extending the Stay Period (as defined in paragraph 15 of the Amended and Restated Initial Order in these proceedings dated March 10, 2023, the “**Initial Order**”), was heard this day by judicial video-conference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Misti Heckel sworn December 2, 2024 including the exhibits thereto, the Eleventh Report of Alvarez & Marsal Canada Inc., in its capacity as monitor (the “**Monitor**”), dated December ●, 2024 (the “**Eleventh Report**”), and on hearing the submissions of respective counsel for the Nordstrom Canada Entities, the Monitor, and such other counsel as were present and wished to be heard, no one else appearing

although duly served as appears from the Affidavit of Service of Hannah Davis sworn December ●, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in support of this motion and the Eleventh Report be and is hereby validated, such that this Motion is properly returnable today and hereby dispenses with further service thereof.

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) is hereby extended until and including June 30, 2025.

TERMINATION OF CO-TENANCY STAY

3. **THIS COURT ORDERS** that paragraph 16 of the Initial Order shall be and is of no further force and effect as of the date hereof.

GENERAL

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

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body or agency having jurisdiction in Canada or in the United States of America, or in any other foreign 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, regulatory and administrative bodies and agencies 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 or to assist the Nordstrom Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

6. **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.

Chief Justice Geoffrey B. Morawetz

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

STAY EXTENSION ORDER

OSLER, HOSKIN & HARCOURT LLP

1 First Canadian Place, P.O. Box 50
Toronto, ON M5X 1B8
Fax: 416.862.6666

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

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

MOTION RECORD
(Stay Extension)

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants