

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC.,
HBC BAY HOLDINGS 1 INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS
ULC, HBC CENTREPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC
HOLDINGS GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC. and
2472598 ONTARIO INC.**

Applicants

**REPLY MOTION RECORD OF THE FILO AGENT
(RETURNABLE AUGUST 28, 2025)**

August 12, 2025

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TO: The Service List

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**REPLY AFFIDAVIT OF IAN FREDERICKS
(Sworn August 12, 2025)**

I, Ian S. Fredericks, of the City of Lake Forest, in the in the State of Illinois, MAKE OATH
AND SAY:

1. I am Chief Executive Officer of ReStore Capital, LLC (“**Restore**”), and, as such, have knowledge of the matters contained in this Affidavit.

2. I previously swore an affidavit on July 8, 2025 in support of Restore’s motion. Capitalized terms that I use here that are not otherwise defined have the meanings given to them in my first affidavit.

3. Among other material served since my first affidavit, I have reviewed the following material:

(a) The affidavit of Michael Culhane sworn July 13, 2025;

- (b) The factum of the Applicants dated July 14, 2025;
- (c) The Sixth Report of the Monitor dated July 14, 2025; and
- (d) The written submissions of Pathlight Capital dated July 15, 2025.

4. I offer brief responses to a number of the issues raised in these written materials, and address certain factual developments since the time of my first affidavit including the finalized Fifth Cash Flow reflected in the Seventh Monitor's Report. The fact that I do not address a given point should not be taken to reflect my or the FILO Agent's agreement with it, and in fact we disagree with many of the positions set out.

Pathlight should bear any costs of recovery on the Term Loan Collateral

5. Pathlight Capital, the Term Loan Agent, has not filed an affidavit in response to mine. But its July 15 written submissions refer to certain correspondence between our respective lawyers concerning the parties' rights under the Intercreditor Agreement and a Consent to Intercreditor Agreement, dated as of March 17, 2025. That Consent to Intercreditor Agreement is attached hereto as **Exhibit "1"**.

6. The FILO Agent disagrees with the legal interpretation of the Intercreditor Agreement and Consent to Intercreditor Agreement put forward by Pathlight in its response, but those are principally legal issues that our lawyers will address with the Court. However, I will set out some important additional factual background underlying the Consent which Pathlight has failed to provide to the Court.

7. The terms of the consent were the subject of negotiations, principally between myself or Daniel Rubin, Managing Director of Restore, and Matthew Williams, Managing Director of Pathlight Capital, and memorialized in the Consent to Intercreditor Agreement.

8. The Consent to Intercreditor Agreement was part of a bundle of agreements entered into between HBC's secured lenders as conditions to certain of the FILO Lenders to provide DIP Financing (the "**DIP Lenders**") to the Applicants in this proceeding.

9. A key feature of ReStore's discussions with Pathlight concerned who would bear the cost of rent on the leases, some of which are ABL Priority Collateral and others of which are Term Loan Priority Collateral. In those discussions, Pathlight sought the agreement of the FILO Agent that, at least for a time, some of the ABL Priority Collateral in the form of cash would be used to pay rent on those leases which were Term Loan Priority Collateral. We, as the FILO Agent, resisted that and sought to limit any use of our collateral in maintaining the Term Loan Priority Collateral. For its part, Pathlight wanted to ensure that it could recover any amounts it advanced to fund rent payments on the Term Loan Priority Collateral leases from the proceeds of the Term Loan Priority Collateral.

10. One result of those discussions was the business deal reflected in paragraphs 3(a) and 2(e) of the Consent to Intercreditor Agreement:

- (a) In paragraph 3(a), the parties agreed, as between them, that the ABL Priority Collateral (or proceeds of it) would only be used to fund lease payments until the week ending July 5, 2025. In particular, Pathlight agreed to consent to:

... reducing or eliminating the provision for payment of rental obligations with respect to Specified Term Loan Leasehold Real Property [i.e. the

leases over which Pathlight had first security] after the liquidation of ABL Priority Collateral at such location has been completed, to the extent ... (x) such rental obligations would be paid with ABL Priority Collateral (including proceeds thereof) and (y) such payments are to be paid after the date covered by the DIP Budget delivered pursuant to Section 4(b) below (i.e., the week ending July 5, 2025).

Because the DIP was a junior DIP, which would be outstanding until paid off, there was no need to separately address an allocation of costs with Pathlight, as this was effectively done through the Consent to Intercreditor Agreement.

- (b) In paragraph 2(e), the parties contemplated that Pathlight may choose to advance funds to pay rental obligations with respect to “Specified Term Loan Leasehold Real Property” as a “Protective Advance” under the “Term Loan Credit Agreement”, and ReStore agreed to not treat those as “Excess Term Loan Obligations” for that purpose, which would enable Pathlight to seek repayment of those advances from the Term Loan Priority Collateral ahead of “ABL Obligations”.

11. This essential concept – that the FILO Lenders were not to fund realization on Pathlight’s priority collateral, was also consistent with section 3.3(j) of the Intercreditor Agreement, pursuant to which the FILO Lenders were not to be obliged to pay any amounts of HBC for use and/or occupancy of any Term Loan Priority Collateral.¹

12. The DIP Facility which was extended by the DIP Lenders was ultimately repaid. Nevertheless, the contractual arrangement between the FILO Agent and Pathlight remains in place: ABL Priority Collateral is not to be used to fund payments on the leases after July 5, 2025 without

¹ Consent to Intercreditor Agreement, dated March 17, 2025.

the consent of the FILO Agent. Thereafter, Pathlight and the lenders for which it acts can fund those leases, with a modification to what would otherwise be their priority for repayment of those amounts.

13. I note that this position was expressed in an email of our counsel to counsel for Pathlight in an email of July 14, 2025, which Pathlight did not refer to in its July 15, 2025 submissions, but which is attached hereto as **Exhibit “2”**.

The financial position of HBC has worsened over the course of the CCAA proceeding, to the prejudice of the FILO Lenders

14. In my first affidavit I described how, between the Fourth Cash Flow and the June 17 draft Fifth Cash Flow, the projected collateral shortfall for the FILO Lenders had increased significantly, despite significant increases in receipts.

15. In response, several parties have suggested that comparing cash flow projections for different time periods in the way I had done is improper. I disagree with that. Comparing cash flow projections for different time periods may be challenging, but it is important for the Court to understand the actual financial performance of this insolvency proceeding as compared to what it had been told to expect.

16. In my first affidavit, my description of the shortfall excluded proceeds from the Canadian Tire transaction as an attempt to provide an “apples to apples” comparison between the two cash flow projections. While the Applicants disagreed with this approach, they did not fundamentally rebut my principal point: that the FILO Lenders’ position had worsened, and continues to worsen. This is a view that has been reinforced by the final Fifth Cash Flow, delivered since my first affidavit as part of the Monitor’s Seventh Report.

17. Rather than denying the deterioration, the Applicants advance a variety responses. The Applicants claim that the FILO Lenders ought to have expected further erosion of their collateral, because a wind-down would inevitably extend past the end dates of the first 13-week cash flow, and some of the increased disbursements relate to costs of the liquidation itself.

18. Finally, the Applicants point to the gross fees paid to the liquidator (without taking into account its costs), a joint venture comprised of multiple entities, including Hilco, and conflate this fee with the substantial amounts owing to the FILO Lenders. Any profit made by the liquidator is entirely irrelevant to the position of the FILO Lenders, which are separate legal entities. The recoveries of the liquidator will in no way reduce the obligations owing to the FILO Lenders, some of which do not even have an affiliate forming part of the joint venture acting as liquidator.

19. But none of these arguments explain why it is reasonable or inevitable that the FILO Agents' cash collateral and expected recoveries have been depleted to the present level, to date. Attached at **Exhibit "3"** is a summary table tallying the cumulative cash flow across all of the available forecasts published by the Monitor, including the latest Fifth Cash Flow. The table below illustrates those cash flow applies against the FILO Lenders' loan balance:

FILO Loan Position (\$MM's)		Pro Forma Cumulative Cash Flows Incorporate Actual Results From Filing Date to Each of the Monitor's Cash Flow Forecasts							CF Δ Upd. 5th vs. 1st
Monitor's CF Version		1st	2nd	3rd	4th	Draft 5th	Upd. 5th		
	Date Issued	Mar 14	Mar 21	Apr 22	May 9	Jun 17	Jul 28		
	CF Start (w/e Friday)	Mar 14	Mar 14	Mar 14	Mar 14	Mar 14	Mar 14		
	CF End (w/e Friday)	Jun 6	Jun 13	Jul 18	Aug 1	Sep 12	Oct 31		
	# of Weeks	13	14	19	21	27	34	21	
	Liquidation Sale End Date	Jun 1	Jun 1	Jun 1	Jun 1	Jun 1	Jun 1		
Receipts		\$ 464.9	\$ 510.0	\$ 590.5	\$ 612.1	\$ 762.7	\$ 770.8	\$ 305.9	
Disbursements		(307.1)	(337.7)	(471.2)	(498.5)	(644.0)	(656.8)	(349.6)	
Net CF		157.8	172.2	119.3	113.6	118.7	114.0	(43.8)	
Opening Cash Balance - March 8		5.3	5.2	5.2	5.2	5.2	5.2	(0.1)	
Net CF		157.8	172.2	119.3	113.6	118.7	114.0	(43.8)	
Cash Collateralization		(21.2)	(21.0)	-	(24.6)	(24.4)	(24.4)	(3.2)	
DIP		23.0	-	-	-	-	-	(23.0)	
FILO Paydown		-	-	-	(40.9)	(74.5)	(79.7)	(79.7)	
Ending Cash Balance		164.8	156.4	124.6	53.3	25.1	15.1	(149.7)	
DIP Loan Balance at CF End		(23.0)	-	-	-	-	-	23.0	
FILO Loan Balance at CF End (excl. Accrued Interest)		(137.2)	(137.2)	(137.2)	(96.3)	(62.7)	(57.4)	79.7	
FILO Loan Surplus/(Shortfall) at CF End		\$ 4.7	\$ 19.2	\$ (12.6)	\$ (43.0)	\$ (37.6)	\$ (42.3)	\$ (47.0)	

20. The Applicants and their advisors cannot claim that a liquidation that faces top-line cost increases of over \$350 million, with only \$300 million in increased net recoveries, has been well-managed or is justifiable. Of course, some of the costs associated with an ongoing CCAA proceeding are inevitable. But many of these expenses were not. Nothing in the material filed justifies:

- (a) increases in Corporate payroll and benefits by over 185% (\$18 million);
- (b) increases in professional fees of the Applicants and Monitor of over 250% (\$29 million); and
- (c) increases in occupancy costs post June 15th (and inventory liquidation completion) of over \$16 million (vs. nil in the First and Second Cash Flows), on top of incremental store closure costs in excess of \$12 million.

21. The other critiques of the Applicants, concerning illustrative examples in my first affidavit, also do not detract from the other principal issues I raised:

- (a) I had stated that the going out of business liquidation generated significantly more in net receipts than forecasted.² The Applicants say this amount omits disbursements for sales tax remittances, and increased payroll and bonuses related to the liquidation. The Monitor, in its Sixth Report, stated that sales from owned inventory exceeded forecast by approximately \$32.9 million (excluding sales tax). As the summary above reflects, with or without those figures included, a stronger performance of the liquidation did not translate into an improvement on the FILO Lenders' position (and indeed worsened it), because of increased costs.
- (b) I had stated that the cumulative cash flow for May 3, 2025, to September 12, 2025, indicated that HBC will have spent over \$100 million more than it will have generated in proceeds for the benefit of its creditors.³ The Applicants again say this amount omits sales tax remittances, as well as consignment and augment payments for sales prior to May 3.⁴ The Monitor for its part notes that some of these disbursements relate to future revenue generating recoveries from other leases, the art collection, and the pension surplus, which may yet be realized.⁵ Once again, accepting that this is true, it is undeniable that, from May-onwards, the work of HBC, the Monitor and all their professionals has not generated an increase in net recoveries for creditors, but instead ongoing and remarkable deficits. The extent to which future recoveries offsets these declines remains unknown.

² Motion Record of Restore Capital LLC (Termination of APA and Expansion of Monitor's Powers), dated July 8, 2025, Tab 2, Affidavit of Ian Fredericks, sworn July 8, 2025 (the "**Fredericks Affidavit**"), at para 54.

³ Fredericks Affidavit, at para 73.

⁴ Responding Motion Record of the Applicants (Hilco Motion), dated July 13, 2025, Tab 1, Affidavit of Michael Culhane, sworn July 13, 2025 (the "**Culhane Affidavit**"), at para 62(b).

⁵ Sixth Report of the Monitor, dated July 14, 2025, at para 5.22.

22. The Fifth Cash Flow now confirms that, on a forward-looking basis, absent intervention by the Monitor or the Court, there does not appear to be any end in sight to the erosion of the FILO Lenders' collateral. In particular, as shown in **Exhibit "4"**, the Updated Fifth Cash Flow projects that the cash balance of the estate will decline by 73% (prior to the \$7mm distribution) through the 15-week period ending October 31, 2025:

	<u>15-Week Period</u>
Opening Cash Balance	82,026
Net Cash Flow	(59,869)
FILO Credit Facility Paydown	<u>(7,025)</u>
Closing Cash Balance	<u>15,132</u>

23. Of course, the estate is unlikely to be fully wound up by October 31, such that the FILO Lenders' recovery is likely to diminish even further, leaving even less to satisfy its \$57.5 million in projected principal outstanding at that time, prior to the "make whole".

24. The Court has the opportunity to address this worsening position by granting the relief sought by the FILO Agent, including appointing a "super-monitor". Doing so will significantly reduce professional fees and other expenses and will enable more direct oversight of the wind-down of operations to ensure they are being conducted cost-effectively. Further, as described below, the FILO Agent asks the Court to ensure that the FILO Lenders not bear the costs of the Central Walk Transaction, including for any further delay.

Any delay in transfer or termination of the leases that are the subject of the Central Walk Transaction will lead to further erosion of the FILO Lenders' collateral

25. As several of the parties point out, the FILO Agent did support the initial execution of the Central Walk APA. It has never been opposed to its timely completion. However, given that the substantial majority of the proceeds of the transaction would ordinarily be distributable to Pathlight as the Term Loan Agent, the FILO Agent has opposed the unfairness from delay in the

transaction's completion. In particular, the FILO Agent has opposed the Applicants' exclusive reliance on the FILO Lenders' collateral to fund that delay without requiring Pathlight or the Purchaser (the principal beneficiaries of the transaction), to bear the costs and risks of the delay.

26. Time is of the essence, and the delays have been extensive. The original Central Walk APA was signed on May 23, 2025, and provided for a target closing date approximately two months later, July 15, 2025. The "Outside Date", the ultimate deadline by which the transaction had to be closed, was July 30, 2025.⁶

27. According to Mr. Perugini's evidence in his affidavit sworn July 29, 2025, the Central Walk APA now has a target closing date of September 15, 2025, and the Outside Date has been extended to the business day following a decision of the within motion.⁷ These amendments represent a doubling of the time negotiated by Central Walk to complete the transaction, even if the Court issues a decision by August 29, 2025. That time has been provided gratuitously to the Purchaser but has come at significant expense to the estate and the FILO Lenders, absent a reallocation of costs.

28. The FILO Agent pointed this out to the Applicants, asking in letters sent by our lawyers on July 23 and July 27, 2025, that the Applicants demanded that an economic *quid pro quo* be sought in exchange for any extension of the Outside Date. Copies of those letters are attached at **Exhibits "5" and "6"** respectively.

⁶ Motion Record of the Applicants (Central Walk APA Approval), dated July 29, 2025, Tab 2, Affidavit of Franco Perugini, sworn July 29, 2025 ("**Perugini Affidavit**"), Exhibit "B", Central Walk APA ("**Central Walk APA**"), at section 1.1.

⁷ Perugini Affidavit, at para 46.

29. On July 29, 2025, the Applicants advised, through their lawyers, that they had asked the Purchaser and Pathlight to contribute to rent, but that both had declined to do so. No copies of those communications were provided, and the delay and tenor of the Applicants' response suggests it was at best a perfunctory request. A copy of the Applicants' letter is attached at **Exhibit "7"**.

30. This is even though, as the Applicants have themselves expressed, the failure to complete the transaction by the original Outside Date lies with the Purchaser. In its July 5, 2025 letter, disclosed publicly for the first time after my first affidavit was sworn, attached at **Exhibit "8"**, the Applicants bluntly stated:

Throughout the Landlord consultation process, the Purchaser has continuously failed to use commercially reasonable efforts to obtain the Landlord Waivers. We have had numerous discussions with you and/or your legal counsel regarding what is required to advance the Agreement for Court approval. We will not detail these discussions in this letter; however, the Purchaser has failed and/or refused to take the most basic and necessary steps to advance its bid. The Purchaser is in breach of the Agreement and pursuant to Section 9.1(9) of the Agreement, the Vendor has the right to terminate the Agreement and if the Vendor exercises such right the Deposit will become the property of and shall be transferred to the Vendor as liquidated damages pursuant to Section 9.2(2)(a) of the Agreement.

31. I note that, while the information in this letter had been shared with Restore's legal counsel and the Monitor, the Applicants took the position that the information reflected in it could not be shared, even with the Court, on the basis of what was said to be a confidentiality undertaking.

32. Attached as **Exhibit "9"**, and summarized below, is an estimate, based on the figures in the Fifth Cash Flow, of the costs of Central Walk Transaction on a monthly basis for August (4 weeks ending August 29, 2025), September (4 weeks ending September 26, 2025), and October (5 weeks ending October 31, 2025):

Estimated Central Walk Related Costs in Updated 5th Cash Flow				
\$MM's	Aug.	Sept.	Oct.	Total
# of weeks	4	4	5	13
Direct Costs				
Occupancy	\$3.9	\$3.9	\$ -	\$ 7.8
Allocation of Shared Cost to CW				
Stikeman	1.1	0.5	-	1.5
Reflect	0.4	0.3	-	0.7
A&M	0.5	0.3	-	0.8
Bennett Jones	0.5	0.3	-	0.8
FILO Lenders	0.5	0.2	-	0.7
Prof. Fee Allocation to CW	3.0	1.5	-	4.5
Utilities & Other Store Carrying Costs	0.4	0.3	0.3	1.0
Corporate Payroll & Benefits	0.3	0.2	0.1	0.5
Operating Cost Allocation to CW	0.7	0.5	0.4	1.5
Est. CW Disb. in Upd. 5th CF	\$7.6	\$5.9	\$0.4	\$ 13.8

33. The table shows that occupancy alone, which is fully attributable to the Central Walk transaction, costs the estate approximately \$3.9 million per month. Adding a very conservative share of other expenses, in particular professional fees and payroll, increases the costs associated with Central Walk to \$7.6 million for August and \$5.9 million for September (\$13.5 million in total). This of course assumes that the leases are terminated or transferred such that no lease costs are incurred after September, and that there are no professional or other fees incurred after that time. These figures are intended to be illustrative, and do not reflect a definitive or exhaustive allocation of costs related to the Central Walk transaction or as between the lenders. Any final analysis will need to take account of all relevant information, including, potentially, a more detailed review of the costs incurred and their purpose. Nevertheless, this illustrates the significant cost associated with the delay in the Central Walk transaction to date and, potentially, going forward.

34. But these estimates do not take account of any appeals by any disappointed party of the approval or disapproval of the Central Walk APA. Even if approved, an appeal would prevent satisfaction of the closing conditions under that agreement, one of which is a “Final Order”

approving the transaction.⁸ Absent the relief sought by this motion it is conceivable that the FILO Lenders could be exposed to an additional \$6 to \$7 million per month in erosion of their collateral related to occupancy and other expenses, assuming the professional and other fees associated with the transaction continue at the average rate of the costs of August and September. They may well be higher, depending on the pace and timing of any appeals. Any rents and other costs related to the Central Walk transaction during appeals should be borne by the Purchaser, Pathlight or the landlords of the premises themselves. Given the conduct of the Purchaser resulting in the delay, the FILO Agent is of the view the deposit provided by the Purchaser should be made available to cover these costs.

35. Ultimately the FILO Agent takes no position as to whether or not the Central Walk APA is approved by the Court. But if the transaction is approved, the FILO Agent seeks an equitable allocation of costs to the transaction proceeds, so that its priority collateral will not have been unduly depleted for the benefit of other creditors. If the transaction is not approved, the FILO Agent seeks immediate disclaimer of the leases underlying the Central Walk APA and prompt end to any rent payments, and orders that allow it to recoup the depletion of its collateral.

36. In either case the FILO Lenders should bear no further risk or cost related to the Central Walk APA after this motion is heard.

The pension surplus is uncertain. If the Pathlight Lenders are confident in it, they should be prepared to take the risk

37. Mr. Culhane, for the Applicants, deposes that "...the Company has notified Telus Health (Canada) Ltd., the Pension Administrator, that the Company is asserting a claim of an interest in

⁸ Central Walk APA, at sections 1.1, 8.1(1)(e).

the pension surplus for the benefit of its creditors. It is possible, and appears likely, that given the quantum of the pension surplus, Hilco and the other FILO Lenders will eventually be paid in full.”⁹

The Pathlight Lenders have taken a similar position, as evidenced by the letter from counsel to the Pathlight Lenders to counsel to the FILO Lenders, dated August 6, 2025, attached as **Exhibit “10”**.

38. While such recoveries of the pension surplus would indeed be very beneficial, the Applicants and Pathlight have not explained why such recoveries are “likely” at this stage.

39. I note that the Monitor’s Sixth Report provides a much more conservative assessment:

The Monitor acknowledges that the costs of pursuing the Central Walk Transaction, including continuing to pay the post-filing rent owing under the Subject Leases, erodes the FILO Agent’s collateral. Although the FILO Agent may ultimately be able to recover funds from the Applicants’ other assets, including the pension surplus, in order to be repaid in full, certain of such recoveries are highly contingent, and to the extent the pension surplus in particular is ultimately realized, may take considerable time to realize.¹⁰

40. Any surplus in the HBC pension plan, that may be available to creditors, may be less than anticipated for many reasons, including because the investments the pension plan has made in HBC itself (which have not been disclosed either to the FILO Agent or publicly):

- (a) As I know from ReStore’s dealings with Pathlight, the HBC Pension Plan is a member of the Pathlight-led syndicate of lenders under what is referred to as the Term Loan, which I understand has an outstanding principal amount of approximately \$90 million as of March 2025. The HBC Pension Plan’s status as a

⁹ Culhane Affidavit, at para 60.

¹⁰ Sixth Report, at para 5.26.

Lender is referred to at section 1.13 of the ABL Credit Agreement that is Exhibit D to my first affidavit;

- (b) HBC has also disclosed in this proceeding that its pension plan is part of a syndicate of lenders holding a \$105 million first mortgage on a property owned by the HBC-RioCan JV, which is the subject of parallel receivership proceedings. The affidavit of Jennifer Bewley, HBC CFO, dated March 7, 2025 describes that investment in these terms:

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

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

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

41. Indeed, the Applicants have not been transparent with the parties, or even the pension administrator about the assets within the pension. I understand from my counsel that the pension administrator and other parties have been pursuing information about the assets in the HBC pension, without any success to date.

42. On August 6, 2025, counsel to Pathlight and certain of the FILO Lenders each delivered separate letters seeking documentation to assess the current state of the pension's assets, as the last

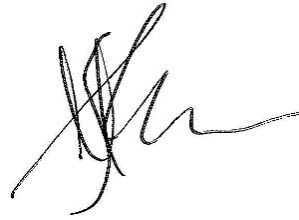
actuarial valuation available is at January 1, 2025. Copies of those letters are attached at **Exhibits “10” and “11”** respectively.

SWORN by Ian S. Fredericks of the City of Lake Forest, in the in the State of Illinois, before me at the City of Toronto in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Christopher Jung

Commissioner for Taking Affidavits
(or as may be)



IAN S. FREDERICKS

This is Exhibit “1” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.


Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

CONSENT TO INTERCREDITOR AGREEMENT

This **CONSENT TO INTERCREDITOR AGREEMENT**, dated as of March 17, 2025 (this “Consent”), among (a) **BANK OF AMERICA, N.A.** (individually, “Bank of America”), in its capacity as agent for the ABL Secured Parties (in such capacity, the “ABL Agent”), (b) **PATHLIGHT CAPITAL LP**, in its capacity as agent for the Term Loan Secured Parties (in such capacity, the “Term Loan Agent”), (c) **RESTORE CAPITAL, LLC**, in its capacities as agent under the proposed Junior DIP Financing (as defined below) (in such capacity, the “Junior DIP Agent”) for the Junior DIP Lenders (as defined below), and in its capacity as FILO Agent (as defined in the ABL Credit Agreement) for the FILO Term Lenders (as defined in the ABL Credit Agreement) (in such capacity, the “FILO Agent”, and together with the Junior DIP Agent, the “Junior Agent”), and (d) the Loan Parties (as defined below).

RECITALS

WHEREAS, reference is made to that certain Second Amended and Restated Intercreditor Agreement, dated as of December 23, 2024 (as amended, amended and restated, restated, supplemented or otherwise modified from time to time, the “Intercreditor Agreement”), among the ABL Agent and the Term Loan Agent, and as acknowledged by **HUDSON’S BAY COMPANY ULC**, an unlimited liability company organized under the laws of the Province of British Columbia, as the Lead Borrower (in such capacity, the “Lead Borrower”) and the Subsidiaries of the Lead Borrower party to the ABL Credit Agreement and Term Loan Credit Agreement referred to the Intercreditor Agreement (together with the Lead Borrower, the “Loan Parties”);

WHEREAS, on May 7, 2025, the Lead Borrower and the other Loan Parties commenced proceedings (the “CCAA Proceedings”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA”) before the Ontario Superior Court of Justice (Commercial List) (the “Court”);

WHEREAS, in connection with the CCAA Proceedings, certain ABL Secured Parties (collectively, the “Junior DIP Lenders”, and together with the Junior Agent and the FILO Term Lenders, collectively, the “Junior DIP / FILO Secured Parties”) provided DIP Financing on the terms and conditions set forth in that certain Junior DIP Term Sheet (the “Original Junior DIP Term Sheet”);

WHEREAS, at the Comeback Hearing (as defined in the Original Junior DIP Term Sheet), the Loan Parties and the Junior DIP Lenders will seek approval from the Court to enter into an amended and restated Junior DIP Term Sheet (the “Junior DIP Term Sheet”, and such DIP Financing, together with the DIP Financing under the Original Junior DIP Term Sheet, the “Junior DIP Financing”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, certain of the terms of such Junior DIP Financing require the consent of the Term Loan Agent under the Intercreditor Agreement, and the Term Loan Agent is willing to provide such consent, on the terms and subject to the conditions set forth in this Consent.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

Section 1. Defined Terms. Any capitalized term used in this Consent and not defined in this Consent shall have the meaning assigned to such term in the Intercreditor Agreement. Any terms defined in this Consent by cross-reference to the Junior DIP Term Sheet shall at any time hereafter be construed to refer to the equivalent term in any definitive documentation for the Junior DIP Financing.

Section 2. Consent. The Term Loan Agent agrees and consents as follows:

(a) Notwithstanding the provisions of the Intercreditor Agreement, the Term Loan Agent consents to the amount of the Capped Junior DIP / FILO Obligations (as defined below) so long as the sum of the maximum aggregate principal amount of loans and other credit extensions outstanding under any Junior DIP Financing, together with, but without duplication, the aggregate outstanding principal amount of FILO Obligations incurred pursuant to the ABL Loan Documents, including the FILO Term Loans and the FILO Applicable Prepayment Premium (each as defined in the ABL Credit Agreement) (collectively, the “Capped Junior DIP / FILO Obligations”), does not exceed, at any time, the sum of (i) the result (not less than zero) of (A) C\$136,847,000.00 (consisting of the outstanding principal amount of FILO Term Loans as of March 7, 2025), minus (B) the amount of all payments of the principal of such FILO Term Loans, plus (ii) the result (not less than zero) of (A) C\$28,151,800.72 (consisting of the Applicable FILO Premium due and owing as of March 7, 2025), minus (B) all payments of amounts in respect of the Applicable FILO Premium, plus (iii) the result (not less than zero) of (A) C\$23,000,000 (consisting of the principal amount of loans and other credit extensions under the Junior DIP Financing), minus (B) the amount of all payments of the principal of such loans or other credit extensions under the Junior DIP Financing (the amount derived from this clause (a), the “Junior DIP / FILO Maximum Amount”). The ABL Agent, the Term Loan Agent and the Junior Agent hereby acknowledge and agree that any Capped Junior DIP / FILO Obligations in excess of the Junior DIP / FILO Maximum Amount (together any interest, fees or reimbursement obligations accrued on or with respect to such amounts (other than interest, fees, indemnities and reimbursement obligations on Capped Junior DIP / FILO Obligations (including obligations under the Junior DIP Financing) not constituting Excess ABL Obligations added to the loan account and interest and fees thereon, including interest on the Applicable FILO Premium)) shall constitute Excess ABL Obligations for all purposes of the Intercreditor Agreement. For the avoidance of doubt, (x) the Junior DIP Financing shall only be incurred and remain outstanding pursuant to clause (a)(iii) above and (y) any Capped Junior DIP / FILO Obligations not in excess of the Junior DIP / FILO Maximum Amount shall not constitute Excess ABL Obligations.

(b) The Term Loan Agent waives Section 6.1(a)(1)(ii), Section 6.1(a)(1)(iv) and Section 6.1(d) of the Intercreditor Agreement with respect to the Junior DIP Financing.

(c) Notwithstanding the provisions of Section 5.2(a)(1) of the Intercreditor Agreement, the Term Loan Agent consents to the Junior DIP Financing having a default interest rate of up to Term CORRA (as defined in the ABL Credit Agreement) plus 14.50% *per annum*, which exceeds the 2.00% increase in default rate of interest permitted by Section 5.2(a)(1) of the Intercreditor Agreement.

(d) No part of the ABL Obligations shall constitute “Excess ABL Obligations” as a result of the ABL Agent’s failure to maintain a Reserve against the Borrowing Base in connection with the Junior DIP Financing for any Carve Out.

(e) The Junior Agent agrees, on behalf of the Junior DIP / FILO Secured Parties that, to the extent the Term Loan Agent or the Term Loan Lenders fund the payment of rental obligations with respect to Specified Term Loan Leasehold Real Property for the purposes described in clause (a) through (c) of the definition of “Protective Advance” set forth in the Term Loan Credit Agreement, no such amounts advanced by the Term Loan Agent or the Term Loan Lenders shall constitute Excess Term Loan Obligations for purposes of determining application of proceeds to (x) the ABL Obligations owing to the Junior DIP / FILO Secured Parties and (y) the Term Loan Obligations, pursuant to the Intercreditor Agreement.

Section 3. Certain Covenants. In consideration of the consents set forth in Section 2, the parties hereto hereby agree as follows:

(a) Without the prior written consent of the Term Loan Agent (not to be unreasonably withheld, conditioned or delayed), the Junior Agent shall not consent to, or approve, any DIP Budget (as defined in the Junior DIP Term Sheet) or change or modification thereto, including in connection with delivery of any Updated DIP Budget (as defined in the Junior DIP Term Sheet) under the Junior DIP Financing or otherwise in connection with the CCAA Proceedings; it being agreed that the Term Loan Agent shall not withhold such consent based on a change or modification to the DIP Budget or an Updated DIP Budget reducing or eliminating the provision for payment of rental obligations with respect to Specified Term Loan Leasehold Real Property after the liquidation of ABL Priority Collateral at such location has been completed, to the extent (x) such rental obligations would be paid with ABL Priority Collateral (including proceeds thereof) and (y) such payments are to be paid after the date covered by the DIP Budget delivered pursuant to Section 4(b) below (i.e., the week ending July 5, 2025).

(b) Without the prior written consent of the Term Loan Agent (not to be unreasonably withheld, conditioned or delayed), neither the Junior Agent nor any Junior DIP / FILO Secured Party shall (i) consent to, or require, the sale or liquidation of any Specified Term Loan Leasehold Real Property or other Term Loan Priority Collateral or (ii) consent to or approve the terms of any Lease Solicitation Process or the SISF to the extent such terms affect or govern the sale or liquidation of any Specified Term Loan Leasehold Real Property or other Term Loan Priority Collateral.

(c) Without the prior written consent of the Term Loan Agent, neither the Junior Agent nor any Junior DIP / FILO Secured Party shall request or require, or consent to or otherwise support, any modification of the Initial Order or the orders of the Court approving the Lease Solicitation Process or the SISF, in each case, which modification could reasonably be expected to adversely affect the rights or interests of the Term Loan Agent or the Term Loan Lenders, including any such Person's rights or interests in the Specified Term Loan Leasehold Real Property or the other Term Loan Priority Collateral.

(d) The ABL Agent confirms that, as of the date hereof, (i) the Revolving Commitments have irrevocably terminated and (ii) the aggregate outstanding amount of the Revolving Loans is C\$0.

(e) The ABL Agent confirms that, as of the date hereof, the aggregate face amount of Letters of Credit issued pursuant to the ABL Credit Agreement is equal to C\$11,997,049. The ABL Agent, on behalf of the ABL Lenders, agrees that no Letters of Credit shall be issued or voluntarily increased after the date hereof, without the prior written consent of the Junior Agent and the Term Loan Agent.

(f) Bank of America agrees not to increase its purchase card limit with the Loan Parties and their Subsidiaries to an aggregate amount in excess of C\$8,000,000, without the prior written consent of the Junior Agent and the Term Loan Agent. The ABL Agent, on behalf of the ABL Secured Parties, agrees that any ABL Obligations consisting of Bank Product Obligations that exceed an aggregate amount of C\$17,500,000 shall constitute Excess ABL Obligations.

Section 4. Conditions Precedent to Consent. This Consent will become effective as of the date hereof, subject to the satisfaction (or waiver) of each of the following conditions:

(a) This Consent shall have been duly executed by each of ABL Agent, the Term Loan Agent, the Junior Agent and the Loan Parties.

(b) Receipt by the Term Loan Agent (or its counsel) of the DIP Budget (as defined in the Junior DIP Term Sheet).

(c) Receipt by the Term Loan Agent (or its counsel) of the substantially final Junior DIP Term Sheet intended to be filed with the Court on or prior to the Comeback Hearing (as defined in the Junior DIP Term Sheet).

(d) The Court shall have granted (i) the amended and restated Initial Order, which shall be in form and substance satisfactory to the Term Loan Agent (it being understood and agreed that the draft order attached hereto as Exhibit B-1 is in form and substance satisfactory to the Term Loan Agent) and (ii) orders approving the Lease Solicitation Process and the SISP (as each such term is defined in the Junior DIP Term Sheet), which shall be in form and substance satisfactory to the Term Loan Agent (it being understood and agreed that the draft orders attached hereto as Exhibit B-2 and Exhibit B-3 are in form and substance satisfactory to the Term Loan Agent).

Section 5. Effect on the Intercreditor Agreement. Except as expressly modified by this Consent, nothing in this Consent shall be deemed to impair or otherwise affect the rights and obligations of the parties under the Intercreditor Agreement and the terms and provisions of the Intercreditor Agreement are hereby ratified and confirmed and shall continue in full force and effect, including, without limitation, with respect to (i) the Junior DIP Financing and the Junior DIP / FILO Secured Parties and (ii) the rights of the Term Loan Agent and the other Term Loan Secured Parties with respect to the Loan Parties and the Term Loan Priority Collateral, and in the CCAA Proceedings. Without limiting the foregoing, the Junior Agent hereby agrees (on behalf of itself and the Junior DIP / FILO Secured Parties) that, notwithstanding anything to the contrary in the in the Junior DIP Term Sheet or any definitive documentation for the Junior DIP Financing, neither the Junior Agent nor any Junior DIP / FILO Secured Party shall take any action, including any action with respect to the Loan Parties and the Term Loan Priority Collateral, or in the CCAA Proceedings, that are inconsistent with the agreements and covenants of the ABL Secured Parties set forth in the Intercreditor Agreement.

Section 6. Governing Law. This Consent and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Consent and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York. This Consent constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 7. Authorization and Execution. By its signature, each person executing this Consent on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Consent. This Consent may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Consent by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Consent.

Section 8. Prior Consent. This Consent supersedes and replaces the prior Consent to Intercreditor Agreement, dated as of March 7, 2025 by and among the Loan Parties, the Term Loan Agent and the Junior DIP Agent.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

PATHLIGHT CAPITAL LP, as Term Loan Agent

By: Pathlight GP LLC, its General Partner

DocuSigned by:
Matt Williams
CD169126A2284B0...

By: _____

Name: Matthew Williams

Title: Managing Director

BANK OF AMERICA, N.A., as ABL Agent

By:  _____
Name: Joseph Burt
Title: Senior Vice President

RESTORE CAPITAL, LLC, as Junior Agent

T. Kellan Grant

By: _____

Name: T. Kellan Grant

Title: EVP Commercial Counsel

Acknowledged and Agreed to by:

LOAN PARTIES:

HUDSON'S BAY COMPANY ULC

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Chief Financial Officer

HBC CANADA PARENT HOLDINGS INC.

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Treasurer

THE BAY HOLDINGS ULC

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Chief Financial Officer

THE BAY LIMITED PARTNERSHIP,

By: its general partner, THE BAY HOLDINGS ULC

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Chief Financial Officer

HBC BAY HOLDINGS I INC.

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Assistant Treasurer

**LOAN PARTIES (CONT'D):
HBC BAY HOLDINGS II ULC**

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Assistant Treasurer

HBC CANADA PARENT HOLDINGS 2 INC.

Signed by:
By: Jennifer Bewley
Name: Jennifer Bewley
Title: Chief Financial Officer

Exhibit A

Junior DIP Term Sheet

[see attached]

AMENDED AND RESTATED JUNIOR DIP TERM SHEET

Hudson Bay Company ULC

Dated as of March 17, 2025

WHEREAS on March 7, 2025 (the “**Filing Date**”) the Loan Parties, together with certain affiliated entities, commenced proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) and Alvarez & Marsal Canada Inc. was appointed as monitor (the “**Monitor**”).

AND WHEREAS, pursuant to the Initial Order, the Court, among other things, (i) approved the terms of a DIP Term Sheet entered into by the DIP Agent, the DIP Lenders and the Loan Parties dated March 7, 2025, as amended by a First Amending Agreement to DIP Term Sheet dated March 7, 2025 (collectively, the “**Original Term Sheet**”) and authorized the Borrower to borrow amounts provided for thereunder in the total aggregate principal amount of \$16,000,000 (the “**Interim Borrowings**”), and (ii) granted the DIP Agent and DIP Lenders a super priority charge (subject to certain Permitted Priority Liens) on the Collateral as security for all DIP Financing Obligations (the “**DIP Charge**”).

AND WHEREAS, in addition to the Interim Borrowings, the Loan Parties require financing to fund certain obligations of the Loan Parties for the purposes of pursuing and implementing an Orderly Liquidation;

AND WHEREAS the DIP Lenders have agreed to provide such additional financing to the Loan Parties pursuant to this Term Sheet, which amends and restates the Original Term Sheet as provided herein;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **BORROWER:** Hudson Bay Company ULC (the “**Borrower**”).
2. **GUARANTORS:** HBC Canada Parent Holdings 2 Inc., HBC Canada Parent Holdings Inc., The Bay Holdings ULC, The Bay Limited Partnership, HBC Bay Holdings I Inc., and HBC Bay Holdings II ULC (collectively, the “**Guarantors**”).
3. **LOAN PARTIES:** The Borrower and the Guarantors (collectively, the “**Loan Parties**”, and “**Loan Party**” means each of them).
4. **DIP AGENT:** Restore Capital, LLC (the “**DIP Agent**”).
5. **DIP LENDERS:** Restore Capital, LLC and the other Persons listed on Schedule “A”, and any permitted assignee thereof in accordance with Section 37 (collectively, the “**DIP Lenders**”, and “**DIP Lender**” means each of them).

Subject to the terms and conditions set forth herein, each DIP Lender commits to make Advances to the Borrower in an aggregate principal amount outstanding up to the amount set forth beside such DIP Lender’s name in Schedule “A” under the heading “Commitment”, as such Schedule may be updated from time to time by the DIP Agent to reflect any

modifications to the DIP Lenders and their Applicable Percentages made in accordance with this Term Sheet.

6. **DEFINED TERMS:** Unless otherwise defined herein, capitalized words and phrases used in this Term Sheet have the meanings given thereto in Schedule “B”.
7. **CURRENCY:** Unless otherwise stated, all monetary denominations shall be in the lawful currency of Canada and all payments made by any of the Loan Parties under this Term Sheet shall be in Canadian dollars.
8. **DIP FACILITY;
DRAWDOWNS:**
 - (a) DIP Facility. A debtor-in-possession, interim, credit facility (the “**DIP Facility**”) up to a maximum principal amount of \$23 million (inclusive of, and not additional to, the Interim Borrowings) (the “**Facility Amount**”), subject to the terms and conditions contained herein.
 - (b) Monitor’s Trust Account. Within one Business Day of the Comeback Hearing, the DIP Agent shall transfer into an interest-bearing trust account in the name of, and designated by, the Monitor (the “**Monitor's Trust Account**”) an amount of \$3,000,000 under the DIP Facility (the “**Initial Monitor Transfer**”). The Monitor shall be entitled to provide written notice to the DIP Agent requesting a further transfer of up to \$4,000,000 (provided that no individual transfer shall be less than \$500,000) under the DIP Facility into the Monitor's Trust Account (the “**Subsequent Monitor Transfer**”) and, following receipt of such notice (if any), the DIP Agent shall be required to make any Subsequent Monitor Transfer within one Business Day of receipt of such notice. Notwithstanding the foregoing, the Monitor shall not be entitled to make any requests for Subsequent Monitor Transfers after 4:00 p.m. (Toronto time) on April 4, 2025. After this time, the DIP Agent and the DIP Lenders shall have no obligation to make any further Subsequent Monitor Transfers and the total Commitments shall be automatically reduced by the undrawn amount of the DIP Facility effective as at 4:00 p.m. (Toronto time) on April 4, 2025.
 - (c) Advances. The DIP Facility shall be made available to the Borrower by way of advances (each an, “**Advance**”) from the Monitor’s Trust Account, which, in the aggregate, shall not exceed the Facility Amount or such higher or lower amount as may be authorized by the ARIO at the Comeback Hearing and agreed to by the DIP Agent (including all interest accrued thereon). The timing for each Advance shall be determined based on the funding needs of the Loan Parties as set forth in the DIP Budget and as agreed among the DIP Agent and the Borrower and consented to by the Monitor. Each Advance (other than the final Advance) shall

be in a principal amount of not less than \$200,000.

- (d) Advance Request Certificate. In order to receive an Advance the Borrower shall deliver to the DIP Agent, with a copy to the Monitor, an Advance request certificate in the form of Schedule “C” (an “**Advance Request Certificate**”). The Advance Request Certificate shall certify that (i) all representations and warranties of the Borrower contained in this Term Sheet remain true and correct in all material respects both before and after giving effect to the use of such Advance and (ii) no Default or Event of Default then exists and is continuing or would result therefrom.
- (e) Advance Release Consent. If the DIP Agent is satisfied that the Advance Conditions are met as of the date on which such Advance Request Certificate is delivered and will remain satisfied on the date the Advance is to be made, as soon as reasonably practicable, the DIP Agent shall deliver to the Monitor, with a copy to the Borrower, a consent to the immediate release of an Advance to the Borrower (“**Advance Release Consent**”). The DIP Agent may make further inquiry of the Borrower and/or the Monitor should it have any concerns with the form or content of the Advance Release Consent, or any representations made therein.

The Monitor shall be entitled to release the Advance to the Operating Account of the Borrower, as requested in the Advance Request Certificate, immediately upon receipt of the Advance Release Consent. For greater certainty, the Monitor shall not be entitled to release the Advance to the Operating Account of the Borrower unless and until such Advance Release Consent is received by the Monitor.

9. **PURPOSE AND PERMITTED PAYMENTS:**

The Borrower shall use proceeds of the DIP Facility solely for the following purposes and in the following order, in each case in accordance with the DIP Budget, the Initial Order and the ARIO and for the purpose of advancing and implementing an Orderly Liquidation or a Permitted Restructuring Transaction:

- (a) to pay the reasonable and documented legal and financial advisory fees and expenses of (i) the Loan Parties, (ii) the Monitor (i.e. the Monitor’s fees and those of its legal counsel), (iii) the DIP Agent and DIP Lenders, (iv) the Pre-Filing ABL Agent, and (v) the Pre-Filing Term Loan Agent, in each case pursuant to the terms hereof, it being acknowledged by the Loan Parties and the DIP Agent and DIP Lenders that those fees and expenses incurred to the date hereof and those provided for in the DIP Budget as of the date hereof are reasonable;
- (b) to pay the interest, fees and other amounts owing to the DIP

Agent and DIP Lenders under this Term Sheet;

- (c) to pay the interest on the amounts owing in connection the Pre-Filing ABL Credit Agreement and the Pre-Filing Term Loan Credit Agreement at the default rates currently being charged under such agreements and provided for in the DIP Budget and to pay fees and expenses owing in connection with the Pre-Filing ABL Credit Agreement (including without limitation any costs, expenses and exposure resulting from fluctuations in exchange rates affecting any Revolving Obligations (as defined in the Pre-Filing ABL Credit Agreement)) and the Pre-Filing Term Loan Credit Agreement; and
- (d) to fund, in accordance with the DIP Budget, the Loan Parties' operating expenditures during the CCAA Proceedings, including the working capital and other general corporate funding requirements of the Loan Parties during such period, including any post filing obligations under any Liquidation Services Agreement, the Memo Consignment Agreement and with the Participating Concession Vendors.

For greater certainty, and other than as expressly set out above, the Loan Parties may not use the proceeds of the DIP Facility to pay any obligations of the Loan Parties and Non-Applicant Stay Parties arising or relating to the period prior to the Filing Date (including, for greater certainty, Sales Taxes accrued prior to the Filing Date, whether or not due and payable after the Filing Date) without the prior written consent of the DIP Agent unless the payment of such pre-Filing Date obligations are specifically identified in the approved DIP Budget and authorized pursuant to the Initial Order or any subsequent Court Order.

10. **ADVANCE CONDITIONS**

The DIP Agent's and DIP Lenders' agreement to make the Facility Amount available to the Borrower and to advance any Advance to the Borrower is subject to the satisfaction, as determined by the DIP Agent, of each of the following conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the benefit of the DIP Agent and DIP Lenders and may be waived by the DIP Agent on behalf of the DIP Lenders:

- (a) With respect to the first Advance:
 - (i) The Loan Parties shall have executed and delivered this Term Sheet, and the Guarantee.
 - (ii) The Court shall have issued an amended and restated Initial Order, which amends, replaces, restates and supersedes the Initial Order ("**ARIO**");

- (A) approving this Term Sheet (subject only to such modifications as may be acceptable to the DIP Agent and DIP Lenders);
- (B) authorizing the Borrower to borrow up to the Facility Amount by way of Advances;
- (C) granting the DIP Charge on the Collateral as security for all DIP Financing Obligations, which DIP Charge shall have priority over all Liens on the Collateral other than the Permitted Priority Liens;
- (D) authorizing the DIP Agent to effect registrations, filings and recordings wherever it deems appropriate regarding the DIP Charge;
- (E) providing that the DIP Charge shall be valid and effective to secure all of the DIP Financing Obligations without the necessity of making any registrations or filings and whether or not any other documents have been executed by the Loan Parties;
- (F) declaring that the granting of the DIP Charge and all other documents executed and delivered to the DIP Lenders as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Charge, do not constitute conduct meriting oppression, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transactions under any applicable federal or provincial legislation;
- (G) restricting the granting of additional Liens on the Collateral other than the DIP Charge and as permitted herein;
- (H) authorizing the Monitor to hold the Monitor Transfer in accordance with the terms of this Term Sheet; and
- (I) authorizing and requiring the cash collateralization set forth under Section 25(e) hereof and, upon confirmation of the validity and enforceability of the security interests of the Pre-Filing ABL Agent by the Monitor's independent counsel, the

repayment set forth under Section 25(e) hereof.

- (iii) the Pre-Filing Term Loan Agent shall have consented to the Facility Amount.
 - (iv) the Court shall have issued an order approving the Liquidation Services Agreement.
 - (v) the Court shall have issued an order approving the Lease Solicitation Process.
 - (vi) the Court shall have issued an order approving the SISF.
- (b) With respect to all Advances:
- (i) The Loan Parties' cash management system shall continue in the manner approved by the Initial Order unless otherwise consented to in writing by the DIP Agent and the Monitor in their reasonable discretion.
 - (ii) The ARIO shall not have been stayed, vacated or otherwise amended, restated or modified in any manner relating to the DIP Facility, the DIP Lenders or the DIP Charge without the written consent of the DIP Agent.
 - (iii) The Shared Services Agreement shall be continuing in full force and effect and all services provided thereunder shall be ongoing.
 - (iv) There shall be no Liens ranking *pari passu* with or in priority to the DIP Charge over the Collateral other than the Permitted Priority Liens.
 - (v) No Default or Event of Default shall have occurred or will occur as a result of the requested Advance.
 - (vi) Such Advance shall not cause the aggregate amount of all outstanding Advances to exceed the amount then authorized by the ARIO.
 - (vii) There shall be no order of the Court in the CCAA Proceedings that contravenes this Term Sheet or the Guarantee so as to materially adversely impact the rights or interests of the DIP Agent or any DIP Lender, as determined by the DIP Agent and DIP Lenders.

- (viii) The Borrower shall have delivered any Updated DIP Budget then requested and such Updated DIP Budget shall have been approved by the DIP Agent and, until the cash collateralization and/or repayment of obligations pursuant to Section (a)(ii)(I), the Pre-Filing ABL Agent.
- (ix) The Borrower shall have delivered all Variance Reports required under Section 18 hereof.
- (x) The Borrower shall have delivered an Advance Request Certificate in respect of such Advance.

For greater certainty, no DIP Lender shall be obligated to make a further Advance or otherwise make available funds pursuant to this Term Sheet unless and until all the foregoing conditions have been satisfied or waived in accordance with this Term Sheet.

11. **COSTS AND EXPENSES**

The Loan Parties shall reimburse the DIP Agent and DIP Lenders for all reasonable and documented fees and expenses incurred (including reasonable and documented legal, financial advisory and professional fees and expenses on a full indemnity basis) (the “**DIP Lender Expenses**”) by the DIP Agent and DIP Lenders or any of their affiliates in connection with the negotiation, development, and implementation of DIP Facility (including the administration of the DIP Facility). The DIP Lender Expenses shall form part of the DIP Financing Obligations secured by the DIP Charge.

12. **DIP FACILITY SECURITY:**

All DIP Financing Obligations shall be secured by the DIP Charge.

13. **INTER-COMPANY ADVANCES:**

No intercompany advances, distributions, or other payments may be made unless provided for in the DIP Budget or consented to in writing by the DIP Agent and for greater certainty, no intercompany advances, distributions or other payments shall be made to Non-Loan Party Applicants.

14. **PERMITTED LIENS: AND PRIORITY:**

All of the Collateral will be free and clear of all Liens except for Permitted Liens.

The DIP Charge shall rank in priority to any and all Liens on the Collateral other than the Permitted Priority Liens. As among the DIP Charge, the Administration Charge, the Directors’ Charge, and the KERP Charge the relative priority shall be as follows:

- (a) *first*, the Administration Charge;
- (b) *second*, the KERP Charge;
- (c) *third*, the Directors’ Charge up to \$13.5 million;
- (d) *fourth*, the DIP Charge; and

(e) *fifth*, the Directors' Charge up to \$35.7 million.

15. **APPLICATION OF PROCEEDS:** Proceeds of Collateral (for the avoidance of doubt, net of any fees or commissions arising under any Liquidation Services Agreement) shall be applied in accordance with priority waterfall set on Schedule "**D**" (the "**Priority Waterfall**") and all proceeds applied to ABL Obligations shall be applied as set forth in Section 8.03 of the Pre-Filing ABL Credit Agreement.
16. **MONITOR:** The monitor in the CCAA Proceedings shall remain Alvarez and Marsal Canada Inc. (the "**Monitor**").
17. **MATURITY DATE:** The DIP Facility shall mature and the DIP Financing Obligations shall be due and repayable in full on the earlier of: (i) the occurrence of any Event of Default which is continuing and has not been cured; (ii) the completion of a Permitted Restructuring Transaction; (iii) the effective date of any Plan which is proposed and filed with the Court in the CCAA Proceedings; and (iv) the Outside Date (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Agent and the Monitor for such period and on such terms and conditions as the DIP Agent may agree in its sole discretion.

Without the consent of the DIP Agent, no Court Order sanctioning a Plan shall discharge or otherwise affect in any way the DIP Financing Obligations, other than after the permanent and indefeasible payment in cash of all DIP Financing Obligations on or before the date such Plan is implemented.
18. **DIP BUDGET AND VARIANCE REPORTING:** Attached hereto as Schedule "**E**" is a copy of the agreed summary budget (excluding the supporting documentation provided to the DIP Agent in connection therewith) as in effect on the date hereof (the "**DIP Budget**"), which the DIP Agent acknowledges and agrees is in form and substance satisfactory to the DIP Agent. Such DIP Budget shall be the DIP Budget referenced in this Term Sheet unless and until such time as an Updated DIP Budget has been approved by the DIP Agent in accordance with this Section 18.

(a) At the written request of the DIP Agent (including by email), (b) at the election of the Borrower, or (c) upon a material change, or a material change reasonably anticipated by the Borrower, to any item set forth in the DIP Budget, the Borrower shall update and propose a revised 13-week DIP Budget to the DIP Agent (the "**Updated DIP Budget**"). The DIP Agent may make such request up to once every two weeks, and if such request is made, the Borrower shall submit the Updated DIP Budget no later than five Business Days following receipt of the request. Such Updated DIP Budget shall have been reviewed and approved by the Monitor, prior to submission to the DIP Agent. If the DIP Agent, determines that the Updated DIP Budget is not acceptable, it shall provide written notice to the Borrower and the Monitor within three Business Days following receipt of the Updated DIP Budget stating that the Updated DIP Budget is not acceptable and setting out the reasons why such Updated DIP Budget is not acceptable. For greater

certainty, until the Borrower has delivered a revised Updated DIP Budget acceptable to the DIP Agent, the prior DIP Budget shall remain in effect, and if the DIP Agent does not respond within three Business Days to a submitted Updated DIP Budget, it shall be deemed to have accepted such Updated DIP Budget.

At any time, the Updated DIP Budget acceptable to the DIP Agent at such time shall be the DIP Budget for the purpose of this Term Sheet.

On or before 3:00 p.m. Eastern Time on the Wednesday of every week commencing with the first full week after the date of issuance of the Initial Order (provided that such day is a Business Day and, if not, on the next Business Day) the Borrower shall deliver to the Monitor and the DIP Agent and its legal and financial advisors a variance calculation (the “**Variance Report**”) setting forth actual receipts and disbursements for the preceding week and on a cumulative basis (each a “**Testing Period**”) as against the then-current DIP Budget, and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof for such Testing Period in the DIP Budget; each such Variance Report to be promptly discussed with the DIP Agent and its legal and financial advisors, if so requested. Each Variance Report shall include reasonably detailed explanations for any material variances during the relevant Testing Period. Notwithstanding the above, the delivery of the first Variance Report shall be due on or before 3:00 p.m. Eastern Time on the Thursday of the second full week after the date of issuance of the Initial Order.

19. **EVIDENCE OF INDEBTEDNESS:** The DIP Agent’s accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the DIP Financing Obligations.
20. **PREPAYMENTS:** Provided the Monitor is satisfied that the Loan Parties have sufficient cash reserves to satisfy (a) amounts secured by any Permitted Priority Liens, and (b) other obligations incurred by the Loan Parties from and after the Filing Date for which payment has not been made (collectively, the “**Priority Payables Reserve**”), the Borrower may prepay any amounts outstanding under the DIP Facility, in accordance with the Priority Waterfall, at any time prior to the Maturity Date. Subject to Section 23, any amount repaid may not be reborrowed.
21. **INTEREST RATE:** Interest shall be payable on the aggregate outstanding amount of the Facility Amount that has been deposited in the Monitor’s Trust Account from the date of the funding thereof at a rate equal to Term CORRA (as defined in the Pre-Filing ABL Credit Agreement) plus 11.5% *per annum*, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month, with the first such payment being made on March 31, 2025. Upon the occurrence and during the continuation of an Event of Default, all overdue amounts shall bear interest at a rate equal to Term CORRA plus 14.5% *per annum* payable on demand in arrears in cash. All interest shall be computed on the basis of a 365-day year, provided that, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act*

(Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

22. MANDATORY REPAYMENTS:

Unless otherwise consented to in writing by the DIP Agent, the DIP Facility shall, subject to retention of the Priority Payables Reserve, the terms of the Liquidation Services Agreement and the Priority Waterfall, be promptly repaid and the Facility Amount shall be permanently reduced upon a sale, realization or disposition of or with respect to any assets or property of the Loan Parties (including obsolete, excess or worn-out Collateral) outside of the ordinary course of business, including any sale or disposition of any Real Property Leases, intellectual property, equipment, machinery and other operating or fixed assets in each case, in an amount equal to the net cash proceeds of such sale, realization or disposition (for greater certainty, net of applicable fees costs and expenses in connection with such sale, realization or disposition and net of payments to holders of Permitted Priority Liens on the assets subject to such disposition) and applicable taxes in respect thereof). Any amount repaid may not be reborrowed.

23. EXCESS CASH:

In the event the Loan Parties have Excess Cash, the Excess Cash shall be deposited in the Monitor's Trust Account and will remain available to be reborrowed by the Borrower, by way of Advances, subject to and in accordance with the terms of this Term Sheet.

24. REPRESENTATIONS AND WARRANTIES:

The Loan Parties represent and warrant to the DIP Agent and DIP Lenders upon which the DIP Agent and DIP Lenders are relying in entering into this Term Sheet and the Guarantee, that:

- (b) The transactions contemplated by this Term Sheet and the Guarantee, upon the granting of the Initial Order (or any amendment and restatement thereof on the Comeback Date, as applicable):
 - (i) are within the powers of the Loan Parties;
 - (ii) have been duly executed and delivered by or on behalf of the Loan Parties;
 - (iii) constitute legal, valid and binding obligations of the Loan Parties, enforceable against the Loan Parties in accordance with their terms;
 - (iv) do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any third party; and
 - (v) will not violate the charter documents, articles by-laws or other constating documents of the Loan Parties or any Applicable Law relating to the Loan Parties;

- (c) The business operations of the Loan Parties have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out;
- (d) The Loan Parties own their assets and undertaking free and clear of all Liens other than Permitted Liens;
- (e) The only assets of the Non-Loan Party Applicants are registered title as nominee to certain real property assets (in the case of Snospmis Limited, 2472596 Ontario Inc. and 2472598 Ontario Inc.), general partnership interests in HBC Holdings LP (in the case of HBC Holdings GP Inc.), general partnership interests in HBC Centrepont LP (in the case of HBC Centrepont GP Inc.) certain non-material limited partnership interests in HBC YSS 1 Limited Partnership (in the case of HBC YSS 1 LP Inc.) and non-material limited partnership interests in HBC YSS 2 Limited Partnership (in the case of HBC YSS 2 LP Inc.) and cash in bank accounts up to \$1,000 in the aggregate, and such assets in the aggregate do not have material value relative to the assets of the Loan Parties collectively.
- (f) The Loan Parties have been duly formed and are validly existing under the laws of their jurisdictions of incorporation or formation;
- (g) All Material Contracts are in full force and effect and are valid, binding and enforceable by the Loan Parties in accordance with their terms and the Loan Parties have no knowledge of any material default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the CCAA Proceedings) or are not otherwise stayed by the Initial Order;
- (h) The Loan Parties are not aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a material adverse effect on the Loan Parties or their business;
- (i) No Default or Event of Default has occurred and is continuing; and
- (j) *Pension Plans*
 - (i) Each Pension Plan is duly registered under the ITA and applicable pension standards legislation. Each Pension Plan is and has been administered in accordance with Applicable Law and the terms of such plan, and no event has occurred which could

cause the loss of the registered status of any such Pension Plan. All obligations of each Loan Party (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans and the funding agreements thereunder have been performed on a timely basis.

- (ii) All employee and employer contributions (including special payments and any other payments in respect of any funding deficiencies or shortfalls) or premiums required to be made or remitted by any Loan Party to the Pension Plans under the terms of the applicable plan and Applicable Law have been properly made, or withheld and remitted to the funding arrangement for the plan in accordance with the terms of the applicable plan and Applicable Law, and no unfunded liability or solvency deficiency exists under any Pension Plans.

25. **AFFIRMATIVE
COVENANTS:**

The Loan Parties agree to do, or cause to be done, the following:

- (a) In connection with matters reasonably related to the DIP Facility, the CCAA Proceedings or compliance of the Loan Parties with their obligations pursuant to this Term Sheet, (i) allow representatives or advisors of the DIP Agent reasonable access to the books, records, financial information and electronic data rooms of or maintained by the Loan Parties, and (ii) cause management, the financial advisor and/or legal counsel of the Loan Parties to cooperate with reasonable requests for information by the DIP Agent and its legal and financial advisors, in each case subject to (A) solicitor-client privilege, (B) all Court Orders and (C) applicable privacy laws;
- (b) Deliver to the DIP Agent the reporting and other information from time to time reasonably requested by it and as set out in this Term Sheet including, without limitation, the Variance Reports at the times set out herein;
- (c) Use the proceeds of the DIP Facility and any cash receipts received from and after the Filing Date only in accordance with the restrictions set out in this Term Sheet and pursuant to the DIP Budget and the Court Orders;
- (d) Comply with the provisions of the Initial Order, ARIO and all other Court Orders;
- (e) Within three weeks of the Comeback Date, and prior to any payments with respect to the DIP Facility, in accordance

with the DIP Budget, utilize cash receipts from the sale of inventory to (i) cash collateralize in each case in an amount equal to 104% of the face amounts thereof, and to provide cash collateral for costs, expenses, fee amounts and contingent reimbursement or unasserted contingent indemnification obligations in an amount reasonably agreed to by the Pre-Filing ABL Agent, and/or (ii) (subject to prior confirmation of the validity and enforceability of the security interests of the Pre-Filing ABL Agent by the Monitor's independent counsel) repay (including authorizing the Pre-Filing ABL Agent to apply all cash held in the bank account ending in xx8203 to the foregoing cash collateralization and repayment), in each case through payment to the Cash Collateral Account (as defined in the Pre-Filing ABL Credit Agreement) all L/C/ Obligations, Bank Product Obligations and cash management obligations (as such terms are defined in the Pre-Filing ABL Credit Agreement) (other than Excess ABL Obligations);

- (f) The Loan Parties shall bring a motion before the Court returnable no later than May 9, 2025 (subject to Court availability) for the Distribution Order;
- (g) Preserve, renew and keep in full force their corporate existence subject to the liquidations pursuant to the Liquidation Services Agreement;
- (h) Preserve, renew and keep in full force and effect all licenses and permits necessary to carry on their business;
- (i) Conduct their businesses in accordance with, and otherwise comply with, the DIP Budget, subject to the Permitted Variance;
- (j) Promptly notify the DIP Agent of the occurrence of any Default or Event of Default;
- (k) Comply, in all material respects, with Applicable Law, except to the extent not required to do so pursuant to any Court Order;
- (l) Provide the DIP Agent and its counsel draft copies of all motions, applications, proposed Court Orders and other materials or documents that the Loan Parties intend to file in the CCAA Proceedings at least two Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible and in any event not less than one day prior to the date on which such motion, application, proposed Court Order or other materials or documents are served on the service list in respect of the applicable CCAA Proceedings; *provided* that motion

materials and similar pleadings that affect the DIP Agent or DIP Lenders shall be reasonably satisfactory to the DIP Agent;

- (m) Take all actions necessary or available to defend the Court Orders that affect the DIP Agent, the DIP Lenders or the Collateral from any appeal, reversal, modifications, amendment, stay or vacating, unless expressly agreed to in writing in advance by the DIP Agent in its reasonable discretion;
- (n) Promptly provide notice to the DIP Agent and its counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract;
- (o) Complete all necessary Lien and other searches against the Loan Parties, together with all registrations, filings and recordings wherever the DIP Agent deems appropriate, to satisfy the DIP Agent that there are no Liens affecting the Collateral except Permitted Liens;
- (p) At all times maintain adequate insurance coverage of such kind and in such amounts and against such risks as is customary for the business of the Loan Parties with financially sound and reputable insurers in coverage and scope acceptable to the DIP Agent;
- (q) Pay the amounts specified in Section 9 and all DIP Lender Expenses no less frequently than every week and in accordance with the DIP Budget;
- (r) Consult with the DIP Agent with respect to any proposed termination or disclaimer of any Real Property Lease;
- (s) Promptly, upon becoming aware thereof, provide details of the following to the DIP Agent:
 - (i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against the Loan Parties, by or before any court, tribunal, Governmental Authority or regulatory body, which are not stayed by the Initial Order and would be reasonably likely to result, individually or in the aggregate, in a judgment not covered by insurance in excess of \$1,000,000;
 - (ii) any existing (or threatened in writing) default or dispute with respect to any of the Material Contracts which are not stayed by the Initial Order; and
 - (iii) subject to appropriate confidentiality arrangements, any indications of interest, proposals or offers for any of the

Collateral received by any Loan Party or the Monitor outside the ordinary course of business.

- (t) Strictly comply with the terms of all Court Orders; and
- (u) Deliver the DIP Budgets and Variance Reports required under Section 18.

**26. NEGATIVE
COVENANTS:**

The Loan Parties covenant and agree not to do, or cause not to be done the following, other than with the prior written consent of the DIP Agent or with the express consent required as outlined below:

- (a) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking outside of the ordinary course of business, except for any disposition permitted under any Liquidation Services Agreement or the disposition of obsolete or worn-out equipment or assets consistent with past practice, or assets of nominal value unless in accordance with the Initial Order or any subsequent Court Order and this Term Sheet;
- (b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-Filing Date indebtedness, or in respect of any other pre-Filing Date liabilities, including payments with respect to pre-Filing Date trade or unsecured liabilities of the Borrower, other than in accordance with the Initial Order or any subsequent Court Order and the DIP Budget; provided that the Loan Parties shall (i) pay the DIP Lender Expenses pursuant to the terms of this Term Sheet, (ii) remit (x) any fees owing under the Liquidation Services Agreement or Memo Consignment Agreement, or (y) proceeds in respect of Consigned Goods, (iii) pay interest on the amounts owing in connection with the Pre-Filing ABL Credit Agreement and the Pre-Filing Term Loan Credit Agreement at the default rates currently being charged under such agreements and provided for in the DIP Budget and fees and expenses of the Pre-Filing ABL Agent pursuant to the terms of this Term Sheet, and (iv) pay the expenses of the Pre-Filing Term Loan Agent pursuant to the terms of this Term Sheet and provided for in the DIP Budget.
- (c) (i) Create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date of this Term Sheet, including fees, interest and expenses that may be capitalized from time to time to the principal amount of the Term Loan Obligations or the ABL Obligations, (B) the DIP Financing Obligations, (C) post-filing trade payables or other unsecured obligations incurred in the ordinary course of business on or following the Filing Date in accordance with the DIP Budget and the Initial Order, or (ii) make or

give any financial assurances, in the form of bonds, letter of credit, financial guarantees or otherwise to any Person or Governmental Authority other than those existing as of the date of this Term Sheet or with the prior written consent of the DIP Agent;

- (d) Other than with the prior written consent of the DIP Agent or as provided for in the DIP Budget make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon) ;
- (e) Other than in accordance with the DIP Budget or with the prior written consent of the DIP Agent, make any investments or acquisitions of any kind, direct or indirect, in any other business or otherwise;
- (f) Pay, incur any obligation to pay, or establish any retainer with respect to the fees, expenses or disbursements of a legal, financial or other advisor of any party, (other than (i) the Monitor and its legal counsel, (ii) the respective legal, financial and other advisors of the Loan Parties and the DIP Agent, in each case engaged as of the date hereof, (iii) respective legal advisors of the Pre-Filing Term Loan Agent and Pre-Filing ABL Agent pursuant to the terms of this Term Sheet and provided for in the DIP Budget (or paid out of proceeds of ABL Priority Collateral and Term Loan Priority Collateral respectively) unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the DIP Agent, and (iv) any advisor other than in accordance with the Liquidation Services Agreement or the Lease Solicitation Process approved by the Court;
- (g) Create or permit to exist any Liens on any of their properties or assets other than the Permitted Liens;
- (h) Challenge or fail to support the Liens and claims of the DIP Agent and DIP Lenders;
- (i) Create or establish any employee retention plan or similar benefit plan for any employees of the Loan Parties, except as reflected in the approved DIP Budget;
- (j) Make any payments or expenditures (including capital expenditures) other than in accordance with this Term Sheet and the DIP Budget, subject to the Permitted Variance;
- (k) Terminate or disclaim any Material Contract or amend any Material Contract in any material adverse manner except

with the prior consent of the DIP Agent, acting reasonably;

- (l) Pay any rent payable to RioCan-HBC Limited Partnership, HBC YSS 1 Limited Partnership, or HBC YSS 2 Limited Partnership under a Real Property Lease, provided however that the Loan Parties shall be permitted to pay any rent payable by to RioCan-HBC Limited Partnership, HBC YSS 1 Limited Partnership, or HBC YSS 2 Limited Partnership as applicable to its landlord under a head lease that the property subject to such Real Property Lease is subject to;
- (m) Seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any Restructuring Transaction other than a Permitted Restructuring Transaction without the prior written consent of the DIP Agent;
- (n) Amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions except pursuant to (i) a Permitted Restructuring Transaction or (ii) a Restructuring Transaction other than a Permitted Restructuring Transaction with the prior written consent of the DIP Agent;
- (o) Make an announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business except in connection with the Lease Solicitation Process, a Permitted Restructuring Transaction or the Liquidation Services Agreement;
- (p) Seek, obtain, support, make or permit to be made any Court Order or any change, amendment or modification to any Court Order in respect of any amendment relating to the DIP Facility or any other matter that affects the DIP Agent or DIP Lenders, except with the prior written consent of the DIP Agent, acting reasonably;
- (q) Seek or obtain an order from the Court that materially adversely affects the DIP Agent or DIP Lenders except with the prior written consent of the DIP Agent;
- (r) Enter into any settlement agreement or agree to any settlement arrangements in an amount involving a payment of \$1,000,000 or greater with any Governmental Authority or regulatory authority in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are (to the knowledge of

the Borrower) threatened or pending against any one of them, or make any payments or refunds to retail customers outside the ordinary course of business, in either case, other than those set out in the DIP Budget or except with the prior written consent of the DIP Agent;

- (s) Without the approval of the Court or the prior written consent of the DIP Agent, cease to carry on its business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of its operations or business except liquidations contemplated by the Liquidation Services Agreement;
- (t) Seek, or consent to the appointment of, a receiver, interim receiver, or trustee in bankruptcy or any similar official in any jurisdiction;
- (u) Remove any stores from the liquidation subject to the Liquidation Services Agreement; or
- (v) Unless and until all Senior Indebtedness is repaid in full, notwithstanding anything else in this Term Sheet, pay any Sales Taxes accrued prior to the Filing Date (whether or not due or payable after the Filing Date) in excess of \$6.8 million.

**27. EVENTS OF
DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default (each an “**Event of Default**”) under this Term Sheet:

- (a) Failure of the Loan Parties to pay principal, interest or other amounts when due pursuant to this Term Sheet or the Guarantee;
- (b) Failure of the Loan Parties to perform or comply with any covenant under Section 26 hereof;
- (c) Any representation or warranty by the Loan Parties made or deemed to be made in this Term Sheet or the Guarantee is or proves to be incorrect or misleading in any material respect as of the date made or deemed to be made;
- (d) Failure of the Loan Parties to perform or comply with any term, condition, covenant or obligation pursuant to this Term Sheet or the Guarantee and such failure remains unremedied for more than five Business Days, *provided that*, where another provision in this Section 27 provides for a shorter or no cure period in respect of a particular Event of Default, such other provision shall apply;
- (e) Issuance of any Court Order (i) dismissing the CCAA Proceedings or lifting the stay of proceedings therein to permit the enforcement of any security against the Loan Parties or the Collateral, the

appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receivership order against or in respect of any of the Loan Parties, in each case which order is not stayed pending appeal thereof, and other than in respect of non-material assets not required for the operations of the Loan Parties business and which is subject to a Permitted Priority Lien, (ii) granting any other Lien in respect of the Collateral that is in priority to or *pari passu* with the DIP Charge other than as permitted pursuant to this Term Sheet, (iii) modifying this Term Sheet or the Guarantee without the prior written consent of the DIP Agent, (iv) approving a Restructuring Transaction, other than a Permitted Restructuring Transaction, that has not been previously consented to in writing by the DIP Agent, or (v) staying, reversing, vacating or otherwise modifying any Court Order relating to the DIP Facility, or any other matter that affects the DIP Agent or DIP Lenders without the prior written consent of the DIP Agent;

- (f) Unless consented to in writing by the DIP Agent, the expiry without further extension of the stay of proceedings provided for in the Initial Order;
- (g) (i) a Variance Report or Updated DIP Budget is not delivered when due under this Term Sheet or (ii) in respect of any Testing Period, there shall exist a variance in excess of the Permitted Variance for the period for which the Variance Report is prepared;
- (h) Unless the DIP Agent has consented thereto in writing, the filing by any Loan Party of any motion or proceeding that (i) is not consistent with any provision of this Term Sheet, the Guarantee or the Initial Order, as applicable, (ii) could otherwise be expected to have a material adverse effect on the interests of the DIP Agent or DIP Lenders, (iii) seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court, or (iv) seeks to initiate any restructuring or insolvency proceedings other than the CCAA Proceedings in any court or jurisdiction;
- (i) Any proceeding, motion or application shall be commenced or filed by any Loan Party, or if commenced by another party, supported, remain unopposed or otherwise consented to by any Loan Party, seeking approval of any Restructuring Transaction (other than a Permitted Restructuring Transaction) without the prior written consent of the DIP Agent;
- (j) The making by any Loan Party of a payment of any kind that is not permitted by this Term Sheet or is not in accordance with the DIP Budget, subject to the Permitted Variance;
- (k) Except as stayed by the Initial Order or consented to by the DIP Agent, a default under, revocation or cancellation of, any Material Contract;

- (l) The denial or repudiation by the Borrower of the legality, validity, binding nature or enforceability of this Term Sheet or the Guarantee;
- (m) Except as stayed by Court Order, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of \$1,000,000 in the aggregate, against any Collateral or any Loan Party that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy;
- (n) Any creditor, encumbrancer or other Person seizes or levies upon any Collateral or exercises any right of distress, execution, foreclosure or similar enforcement process against any Collateral, in each case, with an aggregate value in excess of \$1,000,000; or
- (o) Any Milestone set forth on Schedule “F” hereof shall not be satisfied.

**28. UNAFFECTED
CREDITOR
STATUS**

The DIP Agent and DIP Lenders shall at all times be treated as “unaffected creditors” and “unimpaired” in any plan of compromise or arrangement filed pursuant to the CCAA Proceedings and/or in any other plan, compromise, arrangement and/or proposal filed in any insolvency, restructuring, reorganization and/or arrangement or any other similar proceeding with respect to any Loan Party thereafter, including, without limitation, in any proceedings under the CCAA, the *Bankruptcy and Insolvency Act* (Canada) or any other legislation of any jurisdiction pertaining to insolvency or creditors’ rights.

29. REMEDIES:

Upon the occurrence of an Event of Default, and subject to the Court Orders, the DIP Agent may elect to terminate the commitments hereunder and declare the DIP Financing Obligations to be immediately due and payable and refuse to permit further Advances and direct that the Monitor return any remaining portion of the Monitor Transfers to the DIP Agent to such account as the DIP Agent may designate. In addition, upon the occurrence of an Event of Default, the DIP Agent may, subject to the Court Orders including any notice provision contained therein:

- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over any of the Loan Parties or the Collateral, or for the appointment of a trustee in bankruptcy of any of the Loan Parties;
- (b) with the Monitor’s consent, apply to the Court to seek to expand the powers of the Monitor to take management and control of the Loan Parties or any of the Collateral, on such terms as the Court may direct and the DIP Agent may agree;
- (c) set-off or combine any amounts then owing by the DIP Agent or the DIP Lenders to the Loan Parties against the obligations of the Loan

Parties to the DIP Agent and DIP Lenders hereunder;

- (d) exercise the powers and rights of a secured party under the *Personal Property Security Act* (Ontario), or any federal, provincial, territorial legislation of similar effect; and/or
- (e) exercise all such other rights and remedies under this Term Sheet, the Court Orders and Applicable Law.

30. **DIP LENDER APPROVALS:**

All consents, approvals, waivers, or instructions of the DIP Agent or DIP Lenders hereunder shall be in their sole and absolute discretion and shall be in writing unless otherwise expressly set out herein. Any consent, approval, instruction or other expression of the DIP Lenders or DIP Agent to be delivered in writing may be delivered by a written instrument, including by way of electronic mail.

31. **EXIT FEE:**

The Loan Parties shall pay an Exit Fee to the DIP Agent, on behalf of the DIP Lenders, in the aggregate amount of 3% of the DIP Facility on the Maturity Date (the “**Exit Fee**”), which Exit Fee is fully earned on execution of this Term Sheet.

32. **INDEMNITY AND RELEASE:**

The Loan Parties agree to indemnify and hold harmless the DIP Agent and the DIP Lenders and their respective directors, officers, employees, agents, attorneys, counsel and advisors (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person (collectively, “**Claims**”) as a result of or arising out of or in any way related to the DIP Facility or this Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; *provided, however*, that the Loan Parties shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability (a) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, or (b) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of the Loan Parties. None of the DIP Agent, DIP Lenders, the Indemnified Persons, nor the Loan Parties shall be responsible or liable to any other person for consequential or punitive damages.

Notwithstanding anything to the contrary herein, the indemnities granted under this Term Sheet shall survive any termination of the DIP Facility.

33. **TAXES:**

All payments by the Loan Parties under this Term Sheet to the DIP Agent or DIP Lenders, including any payments required to be made from and after the exercise of any remedies available to the DIP Agent or DIP Lenders upon an Event of Default, shall be made free and clear of, and without reduction for

or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any Governmental Authority country or any political subdivision of any country (collectively “**Taxes**”); provided, however, that if any Taxes are required by Applicable Law to be withheld (“**Withholding Taxes**”) from any amount payable to the DIP Agent or DIP Lenders under this Term Sheet, the amount so payable to such DIP Agent or DIP Lenders shall be increased by an amount necessary to yield to such DIP Agent or DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable under this Term Sheet at the rate or in the amount specified herein and the Loan Parties shall provide evidence satisfactory to such DIP Agent or DIP Lenders, as applicable, that the Taxes have been so withheld and remitted.

If the Loan Parties pay an additional amount to the DIP Agent or any DIP Lender to account for any deduction or withholding, the DIP Agent or DIP Lender shall, at the sole cost and expense of the Loan Party, reasonably cooperate with the Loan Party to obtain a refund of the amounts so withheld and paid to the DIP Agent or DIP Lender. Any refund of an additional amount so received by the DIP Agent or any DIP Lender, without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund which the DIP Agent or any DIP Lender determines in its sole discretion will leave it, after such payment, in no better or worse position than it would have been if no additional amounts had been paid to it), net of all out of pocket expenses of the DIP Agent or any DIP Lender, shall be paid over by the DIP Agent or any DIP Lender to the Loan Party promptly. If reasonably requested by the Loan Party, the DIP Agent or DIP Lender shall apply to the relevant Governmental Authority to obtain a waiver from such withholding requirement, and the DIP Agent or DIP Lender shall reasonably cooperate, at the sole cost and expense of the Loan Parties, with the Loan Parties and assist the Loan Parties to minimize the amount of deductions or withholdings required. The Loan Parties, upon the request of the DIP Agent, shall repay any portion of the amount repaid by the DIP Agent or DIP Lender pursuant to this Section 33 (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that the DIP Agent or DIP Lender is required to repay such portion of the refund to such Governmental Authority. This Section 33 shall not be construed to require the DIP Agent or DIP Lenders to make available their tax returns (or any other information relating to its Taxes that it deems confidential) to the Loan Parties or any other Person. Neither the DIP Agent nor the DIP Lenders shall by virtue of anything in this Term Sheet be under any obligation to arrange their tax affairs in any particular manner so as to claim any refund on behalf of any of the Loan Parties.

34. **FURTHER
ASSURANCES:**

The Loan Parties shall, at their expense, from time to time do, execute and deliver, or will cause to be done, all such further acts and things as the DIP Agent may reasonably request for the purpose of giving effect to this Term Sheet.

35. **ENTIRE AGREEMENT; CONFLICT:** This Term Sheet, including the schedules hereto and the Guarantee delivered in connection with this Term Sheet, constitute the entire agreement between the parties relating to the subject matter hereof.
36. **AMENDMENTS, WAIVERS, ETC.:** No waiver or delay on the part of the DIP Agent or DIP Lenders in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing (including by e-mail) by the DIP Agent or DIP Lenders and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
37. **ASSIGNMENT:** Any DIP Lender may assign their rights and obligations hereunder, in whole or in part, to (a) any affiliate of such DIP Lender in its discretion, (b) any other DIP Lender, or (c) any other Person with the DIP Agent's prior written consent and, provided that no Event of Default has occurred and is then continuing, the Monitor's prior written consent (such consent not to be unreasonably withheld or delayed), or with the authorization of the Court, subject in each case to (i) other than in the case of clause (b) above, providing the DIP Agent, the Borrower and the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the DIP Lender hereunder, and (ii) the assignee providing notice to the DIP Agent (other than in the case of clause (c) above) and the Borrower to confirm such assignment). Neither this Term Sheet nor any right or obligation hereunder may be assigned by the Loan Parties.
38. **NO THIRD PARTY BENEFICIARY:** No Person, other than the Loan Parties, the DIP Agent, the DIP Lenders, the Indemnified Persons, the Monitor, the Pre-Filing ABL Agent, and the Pre-Filing Term Loan Agent is entitled to rely upon this Term Sheet, and the parties expressly agree that this Term Sheet does not confer rights upon any other party.
39. **APPOINTMENT OF DIP AGENT:** Each DIP Lender hereby designates Restore Capital, LLC as administrative agent to act as herein specified and as specified in the Guarantee. Each DIP Lender hereby irrevocably authorizes the DIP Agent to take such action on its behalf and to exercise such powers and to perform such duties thereunder as are specifically delegated to or required of the DIP Agent by the terms thereof and such other powers as are reasonably incidental thereto. The DIP Agent may perform any of its duties hereunder by or through its agents or employees. The provisions of this Section 39 are solely for the benefit of the DIP Agent and the DIP Lenders, and no Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in the Guarantee (or any similar term) with reference to the DIP Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

The DIP Agent shall have no duties or responsibilities except those expressly set out with respect to the DIP Agent in this Agreement and as specified in the Guarantee. None of the DIP Agent, its affiliates nor their

respective directors, officers, employees, agents and advisors shall be liable for any action taken or omitted by it as such hereunder or in connection herewith, unless caused by its or their gross negligence or willful misconduct. The duties of the DIP Agent shall be mechanical and administrative in nature; the DIP Agent shall not have, by reason of this Term Sheet or the Guarantee, a fiduciary relationship in respect of any DIP Lender. The DIP Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to this Term Sheet or the Guarantee unless it is requested in writing to do so by the Required DIP Lenders.

Each DIP Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Independently, and without reliance upon the DIP Agent, each DIP Lender, to the extent it deems appropriate, has made and shall continue to make (a) its own independent investigation of the financial condition and affairs of the Loan Parties in connection with the taking or not taking of any action in connection herewith, and (b) its own appraisal of the creditworthiness of the Loan Parties and, except as expressly provided in this Term Sheet and the Guarantee, the DIP Agent shall have no duty or responsibility to provide any DIP Lender with any credit or other information with respect thereto.

The DIP Agent shall not be responsible to any DIP Lender for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, collectability, priority or sufficiency of this Term Sheet or the Guarantee or the financial condition of the Loan Parties or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Term Sheet or the Guarantee, or the financial condition of the Loan Parties, or the existence or possible existence of any Default or Event of Default.

If the DIP Agent shall request instructions from the DIP Lenders or the Required DIP Lenders (as the case may be) with respect to any act or action (including the failure to act) in connection with this Term Sheet or the Guarantee, the DIP Agent shall be entitled to refrain from such act or taking such action unless and until the DIP Agent shall have received written instructions from the DIP Lenders or the Required DIP Lenders, as applicable, and the DIP Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no DIP Lender shall have any right of action whatsoever against the DIP Agent as a result of the DIP Agent acting or refraining from acting under this Term Sheet and the Guarantee in accordance with the instructions of the Required DIP Lenders or all of the DIP Lenders.

The DIP Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, electronic mail, telephone message, Internet or intranet website posting or other distribution believed by it to be genuine and correct and to have been

signed, sent or made by the proper Person. The DIP Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of any Advance that by its terms must be fulfilled to the satisfaction of a DIP Lender, the DIP Agent may presume that such condition is satisfactory to such DIP Lender unless the DIP Agent shall have received notice to the contrary from such DIP Lender prior to the making of such Advance. The DIP Agent may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

To the extent the DIP Agent is not reimbursed and indemnified by the Loan Parties, each DIP Lender shall reimburse and indemnify the DIP Agent, in proportion to its aggregate Applicable Percentage, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the DIP Agent in performing its duties hereunder, in any way relating to or arising out of this Term Sheet or the Guarantee; provided that no DIP Lender shall be liable to the DIP Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the DIP Agent's gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or willful misconduct. For the avoidance of doubt, the Loan Parties shall reimburse a DIP Lender for any payment pursuant to this Section 39.

**40. AMENDMENTS,
WAIVERS,
CONSENTS:**

Except as set out in the immediately following paragraph, no amendment or waiver of any provision of this Term Sheet or the Guarantee, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the DIP Agent, with the consent of the Required DIP Lenders, and (in the case of any amendment) the Borrower or the applicable Loan Party and the Monitor, as the case may be. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Any amendment to this Term Sheet or any other Credit Agreement relating to the following matters shall require the unanimous consent of the DIP Lenders:

- (a) decreases in interest rates and fees in respect of the DIP Facility;
- (b) increases in any DIP Lender's Commitment;
- (c) extensions of the Maturity Date;
- (d) extensions of the scheduled or mandatory dates or decreases in the scheduled or mandatory amounts for repayments hereunder;

- (e) releases of all or any material portion of the Collateral and the DIP Charge (including, for certainty release of any of the guarantees), except to the extent otherwise permitted pursuant to this Term Sheet;
- (f) the definitions of “Permitted Priority Liens” and “Required DIP Lenders”;
- (g) except as expressly permitted hereunder or under the Guarantee, release, or limit the liability of, any Loan Party without the written consent of each DIP Lender affected thereby;
- (h) modify the priority of (i) the DIP Charge set forth in Section 14, or (ii) the DIP Financing Obligations under the Priority Waterfall, in each case in any way that is adverse to the DIP Lenders; and
- (i) this Section 40.

**41. AMENDMENT
AND
RESTATEMENT**

This Term Sheet amends and restates the Original Term Sheet and represents the entire agreement currently constituted between the Loan Parties, the DIP Agent and the DIP Lenders respecting the subject matter of the Original Term Sheet. The parties hereto acknowledge and agree that (i) this Term Sheet and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation or termination of the obligations and liabilities of any of the parties under the Original Term Sheet as in effect prior to the date hereof, and (ii) such obligations and liabilities are in all respects continuing (as amended and restated hereby) with the terms of the Original Term Sheet being modified only as provided in this Term Sheet. Any and all references to the Original Term Sheet in the Guarantee shall mean and be a reference to this Term Sheet as this Term Sheet may from time to time in the future be further amended, supplemented, restated or replaced. On the date hereof, the DIP Agent shall make all usual and customary adjustments to ensure that all outstanding Advances under the Original Term Sheet are outstanding in accordance with the rateable portion of each DIP Lender, and each DIP Lender agrees to take all actions as are necessary to give effect to such adjustments.

**42. INTERCREDITOR
AGREEMENT**

Except as explicitly set forth in the consent to this Term Sheet delivered by the Pre-Filing Term Loan Agent to the DIP Agent, this Term Sheet is subject to the terms of the Intercreditor Agreement in all respects. In the event of any conflict between the provisions of this Term Sheet and the provisions of the Intercreditor Agreement, subject to the terms of the consent to this Term Sheet delivered by the Pre-Filing Term Loan Agent to the DIP Agent, the provisions of the Intercreditor Agreement shall govern and control.

**43. COUNTERPARTS
AND
SIGNATURES:**

This Term Sheet may be executed in any number of counterparts and delivered by electronic transmission including “pdf email”, each of which when executed and delivered shall be deemed to be an original, and all of

which when taken together shall constitute one and the same instrument.

44. **NOTICES:**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent email to such Person at its address set out in Schedule “G”, with a copy to counsel. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

45. **ENGLISH
LANGUAGE:**

The parties hereto confirm that this Term Sheet and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

46. **GOVERNING
LAW AND
JURISDICTION:**

This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the DIP Agent and DIP Lenders to enforce this Term Sheet in any other proper jurisdiction, the Loan Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

IN WITNESS HEREOF, the parties hereby execute this Term Sheet as at the date first above mentioned.

RESTORE CAPITAL, LLC, as DIP Agent

By: _____

Name: _____

Title: _____

HCS 102, LLC, as DIP Lender

By: _____

Name: _____

Title: _____

TIGER ASSET SOLUTIONS CANADA, ULC, as DIP Lender

By: _____

Name: _____

Title: _____

1903 PARTNERS, LLC as DIP Lender

By: _____

Name: _____

Title: _____

GA GROUP SOLUTIONS, LLC as DIP Lender

By: _____

Name: _____

Title: _____

HUDSON BAY COMPANY ULC, as Borrower

By: _____
Name: _____
Title: _____

HBC CANADA PARENT HOLDINGS 2 INC., as Guarantor

By: _____
Name: _____
Title: _____

HBC CANADA PARENT HOLDINGS INC., as Guarantor

By: _____
Name: _____
Title: _____

THE BAY HOLDINGS ULC, as Guarantor

By: _____
Name: _____
Title: _____

THE BAY LIMITED PARTNERSHIP, as Guarantor

By: _____
Name: _____
Title: _____

HBC BAY HOLDINGS I INC., as Guarantor

By: _____
Name: _____
Title: _____

HBC BAY HOLDINGS II ULC, as Guarantor

By: _____
Name: _____
Title: _____

**SCHEDULE “A”
DIP LENDERS AND COMMITMENTS**

DIP Lender	Commitment	Applicable Percentage
HCS 102, LLC	\$13,133,000	57.1%
Tiger Asset Solutions Canada, ULC	\$3,289,000	14.3%
1903 Partners, LLC	\$3,289,000	14.3%
GA Group Solutions, LLC	\$3,289,000	14.3%
Total Commitments:	\$23,000,000	100%

**SCHEDULE “B”
DEFINED TERMS**

“**ABL Obligations**” has the meaning given thereto in the Intercreditor Agreement.

“**ABL Priority Collateral**” has the meaning given thereto in the Intercreditor Agreement.

“**ABL Priority Liens**” means the Liens in favour of the Pre-Filing ABL Agent securing the ABL Obligations.

“**Administration Charge**” means a priority charge over the Collateral granted by the Court pursuant to the Initial Order in an aggregate amount not exceeding \$2,800,000 to secure the fees and expenses of (i) the legal and financial advisors of the Loan Parties and (ii) the Monitor and its counsel, in each case in connection with the CCAA Proceedings.

“**Advance**” has the meaning given thereto in Section 8.

“**Advance Conditions**” has the meaning given thereto in Section 10.

“**Advance Release Consent**” has the meaning given thereto in Section 8.

“**Advance Request Certificate**” has the meaning given thereto in Section 8.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

“**Applicable Percentage**” means, in respect of any DIP Lender at any time, the percentage of the DIP Facility which such DIP Lender has agreed to make available to the Borrower at such time, determined by dividing such DIP Lender’s Commitment by the aggregate of all of the DIP Lenders’ Commitments.

“**ARIO**” has the meaning given thereto in Section 10.

“**Borrower**” has the meaning given thereto in Section 1.

“**Business Day**” means any day other than a Saturday, Sunday or any other day on which banks in Toronto, Ontario are not open for business.

“**CCAA**” has the meaning given thereto in the Recitals.

“**CCAA Proceedings**” has the meaning given thereto in the Recitals.

“**Claims**” has the meaning given thereto in Section 32.

“**Collateral**” means all current or future assets, businesses, undertakings and properties of the Loan Parties, real and personal, tangible or intangible, including all proceeds thereof. For greater certainty, Collateral excludes any Consigned Goods and merchandise subject to arrangements with Participating Concession Vendors.

“Comeback Date” means the date scheduled by the Court, to be within 10 days of the Filing Date, to consider additional relief requested by the Loan Parties relating to the Term Sheet and the Liquidation Services Agreement, among other things.

“Comeback Hearing” means the hearing scheduled on the Comeback Date to consider additional relief requested by the Loan Parties relating to the Term Sheet and the Liquidation Services Agreement, among other things.

“Commitment” means, with respect to each DIP Lender, the commitment of such DIP Lender to make Advances under the DIP Facility hereunder. The initial amount of each DIP Lender’s Commitment is set out in Schedule “A”.

“Consigned Goods” means inventory on order from, in transit to, or in the possession of, a Loan Party pursuant to the terms of a true consignment agreement and the proceeds thereof; provided that such proceeds (i) are held in trust for the benefit of such true consignor or otherwise separate and apart so that such proceeds are identifiable and traceable, or (ii) the DIP Agent has otherwise agreed that the DIP Charge does not attach to such proceeds. For greater certainty, all Memo Merchandise and inventory supplied to the Loan Parties from time to time pursuant to the Memo Consignment Agreement shall constitute Consigned Goods.

“Court” has the meaning given thereto in the Recitals.

“Court Order” means any order, judgment, direction, endorsement or opinion issued by the Court in the CCAA Proceedings.

“Default” means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

“DIP Agent” has the meaning given thereto in Section 4.

“DIP Budget” has the meaning given thereto in Section 18. For greater certainty, for purposes of this Term Sheet, the DIP Budget shall include all supporting documentation provided in respect thereof to the DIP Agent.

“DIP Charge” has the meaning given thereto in the Recitals.

“DIP Facility” has the meaning given thereto in Section 8.

“DIP Facility Exposure” means, with respect to any DIP Lender at any time, the outstanding principal amount of such DIP Lender’s Advances at such time.

“DIP Financing Obligations” means, collectively, all indebtedness, liabilities and other obligations owing by each of the Loan Parties from time to time to the DIP Agent and the DIP Lenders (or any of them) pursuant to this Term Sheet and the Guarantee, including, without limitation, all principal, interest, fees, costs, expenses, disbursements and DIP Lender Expenses.

“DIP Lenders” has the meaning given thereto in Section 5.

“DIP Lender Expenses” has the meaning given thereto in Section 11.

“Directors’ Charge” means a priority charge over the Collateral granted by the Court pursuant to the Initial Order securing the indemnity granted by the Loan Parties in favour of the directors and officers of the Loan Parties, on such terms more particularly set out in the Initial Order, in an aggregate amount not exceeding \$27,000,000.

“Distribution Order” means an order of the Court authorizing the Monitor to make a distribution of Surplus Cash in accordance with the Priority Waterfall.

“Event of Default” has the meaning given thereto in Section 27.

“Excess ABL Obligations” has the meaning given thereto in the Intercreditor Agreement.

“Excess Cash” means cash proceeds from the sale of inventory of the Loan Parties, including any inventory sold in accordance with the Orderly Liquidation, in excess of \$15 million, as tested on the last Business Day of each week but calculated on the Monday thereafter (and for the avoidance of doubt, such proceeds shall be net of any fees or commissions due but not yet paid to any advisor in accordance with the Liquidation Services Agreement), starting on the week of March 31, 2025.

“Excess Term Loan Obligations” has the meaning given thereto in the Intercreditor Agreement.

“Exit Fee” has the meaning given thereto in Section 31.

“Facility Amount” has the meaning given thereto in Section 8.

“Filing Date” has the meaning given thereto in the Recitals.

“Governmental Authority” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“Guarantee” means a Guarantee of the DIP Financing Obligations to be provided by all Guarantors in form and substance satisfactory to the DIP Agent.

“Guarantors” has the meaning given thereto in Section 2.

“Indemnified Persons” has the meaning given thereto in Section 32.

“Initial Monitor Transfer” has the meaning given thereto in Section 8.

“Initial Order” has the meaning given thereto in the Recitals.

“ITA” means the *Income Tax Act* (Canada), as amended from time to time.

“Intercreditor Agreement” means the Second Amended and Restated Intercreditor Agreement dated as of December 23, 2024 between the Pre-Filing ABL Agent and the Pre-Filing Term Loan Agent.

“Interim Borrowings” has the meaning given thereto in the Recitals.

“KERP” means a key employee retention plan the terms and conditions of which shall be satisfactory to the DIP Agent acting reasonably.

“KERP Charge” means a priority charge over the Collateral granted by the Court pursuant to the Initial Order or subsequent Court Order in an amount not to exceed \$5 million to secure the obligations of the Loan Parties to certain key employees pursuant to the terms of a KERP in an amount to be set forth in the amended and restated Initial Order in an amount acceptable to the DIP Agent acting reasonably.

“Lease Solicitation Process” means the process approved by the Court and consented and agreed to by the DIP Agent, pursuant to which the Loan Parties seek offers related to the assignment and assumption of their Real Property Leases or a certain subset thereof.

“Liens” means (a) all liens, hypothecs, charges, mortgages, deeds of trusts, trusts, deemed trusts (statutory or otherwise), constructive trusts, encumbrances, security interests, and statutory preferences of every kind and nature whatsoever that secured payment or performance of an obligation, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Liquidation Services Agreement” means an agreement in form and substance satisfactory to the DIP Agent and approved by the Court at the Comeback Hearing providing for the liquidation of the inventory in all of the Loan Parties’ retail stores (or such lower number of stores as may be consented to by the DIP Agent and reduced in accordance with the terms of the Liquidation Services Agreement).

“Loan Parties” has the meaning given to it in Section 3.

“Material Contract” means any contract, licence, agreement or Real Property Lease (i) to which any Loan Party is a party or is bound, (ii) which is necessary in the operation of the business of the Loan Parties, and (iii) the breach or termination of, or default under, would reasonably be expected to have a material adverse effect on the Loan Parties taken as a whole if such contract, licence, agreement or Real Property Lease was not replaced by an alternative comparable contract with comparable commercial terms in a commercially reasonable timeframe.

“Maturity Date” has the meaning given thereto in Section 17.

“Memo Consignment Agreement” means that certain Master Service Agreement for Consignment of Memo Merchandise dated as of April 4, 2024, between the Borrower and Gordon Brothers Canada ULC as and as may be amended, restated, supplemented or otherwise modified and in effect from time to time.

“Memo Merchandise” has the meaning given to it in the Memo Consignment Agreement.

“Monitor” has the meaning given thereto in Section 16.

“Monitor’s Trust Account” has the meaning given thereto in Section 8.

“Non-Applicant Stay Parties” has the meaning given thereto in the Initial Order.

“Non-Loan Party Applicant” means HBC Centrepont GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc. Snospmis Limited, 2472596 Ontario Inc. and 2472598 Ontario Inc.

“Operating Account” means a bank account of the Borrower designated by the Borrower to receive Advances acceptable to the DIP Agent.

“Orderly Liquidation” means the liquidation of the retail inventory of the Loan Parties and certain related Collateral (including furniture, fixtures and equipment), pursuant to the terms of the Liquidation Services Agreement, as approved by the Court.

“Original DIP Term Sheet” has the meaning given thereto in the Recitals.

“Other Collateral” means any and all Collateral other than the ABL Priority Collateral and the Term Loan Priority Collateral.

“Outside Date” means June 30, 2025.

“Participating Concession Vendors” means such vendors providing merchandise to the Loan Parties for in-store sales pursuant to one or more concession or licensor agreements (other than pursuant to the Memo Consignment Agreement) in respect of Consigned Goods or other goods title to which remains with such vendors at all times, who have continued to provide merchandise post filing, including during the inventory liquidation process.

“Pension Plan” means a “registered pension plan”, as such term is defined in subsection 248(1) of the ITA, which is sponsored, administered or contributed to, or required to be contributed to, by any Loan Party or under which any Loan Party has any actual or contingent liability.

“Permitted Liens” means: (i) the DIP Charge; (ii) any other charges created under the Initial Order or other Court Order subsequent in priority to the DIP Charge and approved in writing by the DIP Agent acting in its, reasonable discretion; (iii) validly perfected Liens existing prior to the date hereof; (iv) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; and (v) the Permitted Priority Liens.

“Permitted Priority Liens” means: (i) the Administration Charge, the Directors Charge and the KERP Charge; (ii) ABL Priority Liens; (iii) the Term Loan Priority Liens; (iv) any amounts payable by the Loan Parties for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims, in each case solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts has not been subordinated to the DIP Charge; and (v) obligations of the Loan Parties to any defined benefit or defined contribution pension plan sponsored by the Loan Parties solely to the extent that (a) such amounts are given priority by Applicable Law and (b) the priority of such amounts has not been subordinated to the DIP Charge.

“Permitted Restructuring Transaction” means a transaction that provides for repayment in full in cash on closing of the amounts reasonably anticipated by (i) the Loan Parties (in consultation with the Monitor and the Financial Advisor), (ii) the Pre-Filing Term Loan Agent, (iii) the Pre-Filing ABL Agent, and (iv) the DIP Agent to be outstanding under the Senior Indebtedness following completion of the Lease Solicitation Process and the liquidation under the Liquidation Services Agreement and is otherwise satisfactory to the DIP Agent.

“Permitted Variance” means an adverse variance of not more than 15%, measured for on a consolidated and cumulative basis for disbursements being Payroll – Non Corp, Payroll - Corp./Shared Svcs, Occupancy Costs, Accrued Vacation Corporate KERP, Chargeback Reserve/Deposits, Store Ops, and interest, For certainty this shall exclude all fees and expenses of all Loan Parties’ professional advisors, the Monitor and its counsel, the fees and expenses of the DIP Agent and the DIP Lenders and all other

professional fees and expenses for which the Loan Parties are responsible. The Permitted Variance shall be tested starting the Monday of the first full week after the Comeback Hearing.

“Person” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan” means any plan of compromise, arrangement, reorganization or similar arrangement filed pursuant to the CCAA or any other statute in any jurisdiction, in respect of the Loan Parties.

“Pre-Filing ABL Agent” means Bank of America, N.A. (including acting through branches and affiliates) in its capacity as administrative agent and collateral agent under the Pre-Filing ABL Credit Agreement.

“Pre-Filing ABL Credit Agreement” means that certain second amended and restated credit agreement dated as of December 23, 2024 among the Borrower, as “Lead Borrower”, the other “Borrowers” named therein, the “Guarantors” from time to time party thereto, the “Lenders” from time to time party thereto, the Pre-Filing ABL Agent and Restore Capital, LLC, as “FILO Agent”, as amended, restated, supplemented or otherwise modified and in effect from time to time.

“Pre-Filing Term Loan Agent” means Pathlight Capital LP, in its capacity as administrative agent under the Pre-Filing Term Loan Credit Agreement.

“Pre-Filing Term Loan Credit Agreement” means that certain amended and restated term loan credit Agreement dated as of December 23, 2024 among the Borrower, as “Lead Borrower”, the other “Borrowers” named therein, the “Guarantors” from time to time party thereto, the “Lenders” from time to time party thereto and the Pre-Filing Term Loan Agent, as amended, restated, supplemented or otherwise modified and in effect from time to time.

“Priority Payables Reserve” has the meaning given thereto in Section 20.

“Priority Waterfall” has the meaning given thereto in Section 15.

“Real Property Leases” means the real property leases under which a Loan Party is a tenant in connection with any retail store operated by a Loan Party.

“Required DIP Lenders” means, at any time, DIP Lenders having outstanding DIP Facility Exposures and unused and uncanceled Commitments representing more than 50% of the sum of the total DIP Facility Exposures and unused and uncanceled Commitments at such time.

“Restructuring Transaction” means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, Plan or other material transaction of, or in respect of the Borrower or its respective assets and liabilities.

“Sales Taxes” means all goods and services taxes, harmonized sales taxes and other applicable sales taxes.

“Second Lien Obligations” has the meaning given thereto in the first lien/second lien intercreditor agreement dated as of December 23, 2024 among the Pre-Filing ABL Agent, the Pre-Filing Term Loan Agent and 2171948 Ontario Inc.

“Senior Indebtedness” means the ABL Obligations, the Term Loan Obligations and the DIP Financing Obligations.

“Shared Services Agreement” means the Shared Services Agreement dated December 23, 2024 by and among Saks Global Enterprises LLC, the Borrower and HBC Canada Parent Holdings 2 Inc. as amended February 28, 2025 and as amended, restated, supplemented or otherwise modified and in effect from time to time.

“SISP” means the sale and investment solicitation process, satisfactory to the DIP Agent, whereby the Loan Parties will seek to enter into a Permitted Restructuring Transaction, which process shall include any equity interest of the Loan Parties in RioCan HBC Limited Partnership and any intellectual property of the Loan Parties.

“Subsequent Monitor Transfer” has the meaning given thereto in Section 8.

“Surplus Cash” means amounts held by the Monitor on the week ending immediately prior to the distribution contemplated by the Distribution Order that exceed \$35 million or such other amount as the parties may agree upon, acting reasonably, provided that, in the event that the forecasted Total Disbursements up to such date are greater than amounts actually disbursed up to such date, the difference between forecasted Total Disbursements up to such date in the DIP Budget and amounts actually disbursed up to such date shall be added to the \$35 million threshold amount.

“Taxes” has the meaning given thereto in Section 33.

“Term Loan Obligations” has the meaning given thereto in the Intercreditor Agreement.

“Term Loan Priority Collateral” has the meaning given thereto in the Intercreditor Agreement.

“Term Loan Priority Liens” means the Liens in favour of the Pre-Filing Term Loan Agent securing the Term Loan Obligations but only to the extent of such Liens are against the Term Loan Priority Collateral and not, for greater certainty the extent to which such Liens secure the Term Loan Obligations against the ABL Priority Collateral.

“Term Sheet” means this amended and restated term sheet, as further amended, restated or otherwise modified from time to time.

“Testing Period” has the meaning given thereto in Section 18.

“Updated DIP Budget” has the meaning given thereto in Section 18.

“Variance Report” has the meaning given thereto in Section 18.

“Withholding Taxes” has the meaning given thereto in Section 33.

**SCHEDULE “C”
FORM OF ADVANCE CONFIRMATION CERTIFICATE**

TO: The DIP Agent

AND TO: The Monitor

FROM: Hudson Bay Company

DATE: ●, 2025

1. This certificate is delivered to you, as DIP Agent, with a copy to the Monitor, in connection with a request for an Advance pursuant to the amended and restated term sheet made as of March ●, 2025 between the Loan Parties and the DIP Agent and DIP Lenders, as amended, supplemented, restated or replaced from time to time (the “**Term Sheet**”). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.

2. The Borrower hereby requests an Advance as follows in respect of the week commencing on ●, 2025:

Aggregate amount of Advance: \$●

3. All of the representations and warranties of the Loan Parties set forth in the Term Sheet are true and accurate in all material respects as at the date hereof, as though made on and as of the date hereof.

4. All of the covenants of the Loan Parties contained in the Term Sheet and the Guarantee and all other terms and conditions contained in the Term Sheet and the Guarantee to be complied with by the Loan Parties, not properly waived in writing by the DIP Agent, have been fully complied with.

5. No Default or Event of Default has occurred nor will any such event occur as a result of the Advance hereby requested.

HUDSON’S BAY COMPANY ULC, as Borrower

By: _____
Name:
Title:

**SCHEDULE “D”
WATERFALL**

Priority Ranking	ABL Priority Collateral	Term Loan Priority Collateral	Other Collateral
1 st	Administration Charge obligations	Administration Charge obligations	Administration Charge obligations
2 nd	KERP Charge obligations	KERP Charge Obligations	KERP Charge obligations
3 rd	ABL Obligations (other than Excess ABL Obligations)	Term Loan Obligations (other than Excess Term Loan Obligations)	Directors’ Charge indemnity obligations up to \$13.5 million
4 th	Directors’ Charge indemnity obligations up to \$13.5 million	ABL Obligations (other than Excess ABL Obligations)	DIP Financing Obligations
5 th	DIP Financing Obligations	Directors’ Charge indemnity obligations up to \$13.5 million	Directors’ Charge indemnity obligations up to \$35.7 million
6 th	Director’s Charge indemnity obligations up to \$35.7 million	DIP Financing Obligations	
7 th	Term Loan Obligations (other than Excess Term Loan Obligations)	Directors’ Charge indemnity obligations up to \$35.7 million	
8 th	Excess ABL Obligations	Excess Term Loan Obligations	
9 th	Excess Term Loan Obligations	Excess ABL Obligations	
10 th	Second Lien Obligations (to the extent that any ABL Priority Collateral secures any Second Lien Obligations)	Second Lien Obligations (to the extent that any Term Loan Priority Collateral secures any Second Lien Obligations)	

**SCHEDULE “E”
DIP BUDGET**

**SCHEDULE “F”
MILESTONES**

1. The Court shall have issued the ARIO by no later than March 17, 2025.
2. By no later than the March 17, 2025 the Court shall have issued an order approving the Liquidation Services Agreement, the Lease Solicitation Process and the SISP.
3. All milestones contemplated by the Lease Solicitation Process and the SISP shall be complied with in all material respects by the Loan Parties.
4. By no later than May 9, 2025, the Court shall have issued the Distribution Order and the distribution contemplated thereby shall be made within two Business Days of the issuance of the Distribution Order.

Notwithstanding the above, a specific Milestone may be (a) extended or waived with the express prior written consent of the DIP Agent or (b) extended to the extent necessary to accommodate the Court’s calendar.

**SCHEDULE “G”
NOTICE INFORMATION**

If to Loan Parties

Stikeman Elliott
5300 Commerce Court West
199 Bay St.
Toronto, ON
M5L 1B9

Attention: Ashley Taylor
Email: ataylor@stikeman.com

If to DIP Agent

Restore Capital LLC

Attention: Dan Rubin
Email: dan.rubin@restore-cap.com

With copy to:

Blake, Cassels & Graydon LLP
199 Bay St, Suite 4000
Toronto, Ontario
M5L 1A9

Attention: Linc Rogers / Aimee Yee
Email: linc.rogers@blakes.com / aimee.yee@blakes.com

And to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY
10036-8704

Attention: Gregg Galardi / Max Silverstein
Email: Gregg.galardi@ropesgray.com /
max.silverstein@ropesgray.com

If to Monitor

Alvarez & Marsal Canada Inc.
2900 – 200 Bay St. South Tower
Royal Bank Plaza
Toronto ON
M5J 2J1

Attention: Greg Karpel
Email: gkarpel@alvarezandmarsal.com

With copy to:

Bennett Jones LLP
100 King St W, Suite 3400

Toronto, ON
M5X 1A4

Attention: Sean Zweig
Email: zweigs@bennettjones.com

Exhibit B-1

Form of Initial Order

[see attached]

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

THE HONOURABLE MR)	MONDAY, THE 17 TH DAY
)	
JUSTICE OSBORNE)	OF MARCH, 2025

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC BAY
HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC
CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.**

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**Hudson's Bay**"), HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order amending and restating the initial order of Justice Osborne issued on March 7, 2025 (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the affidavits of Jennifer Bewley sworn March 7, 2025 (the "**First Bewley Affidavit**") and March 14, 2025 (the "**Second Bewley Affidavit**"), and the Exhibits thereto, the pre-filing report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as proposed monitor of the Applicants dated March 7, 2025, the first report of A&M (the "**First Report**"), in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), dated March [●], 2025, on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to the

Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of Brittney Ketwaroo sworn March [●], 2025.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Bewley Affidavit and the Second Bewley Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not Applicants, HBC Holdings LP, RioCan-HBC General Partner Inc., RioCan-HBC Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc., RioCan-HBC (Ottawa) GP, Inc., RioCan-HBC (Ottawa) Limited Partnership, HBC YSS 1 Limited Partnership ("**YSS 1**"), HBC YSS 2 Limited Partnership ("**YSS 2**"), HBC Centerpoint LP, and The Bay Limited Partnership (collectively, the "**Non-Applicant Stay Parties**", and together with the Applicants, "**Hudson's Bay Canada**") shall have the benefits of the protections and authorizations provided by this Order.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file with this Court a plan of compromise or arrangement (the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants shall each be authorized and empowered to continue to retain and employ their employees, contractors, advisors, consultants, agents, experts, appraisers, valuers, brokers, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty

to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that Hudson's Bay and The Bay Limited Partnership shall be entitled to continue to utilize their existing central cash management systems currently in place as described in the First Bewley Affidavit, or with the consent of the Monitor and the DIP Agent, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by Hudson's Bay and The Bay Limited Partnership of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than Hudson's Bay and The Bay Limited Partnership, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of the Initial Order, subject to compliance with the DIP Budget, to the extent that such expenses are incurred and payable by the Applicants:

- (a) all outstanding and future wages, salaries, employee and pension benefits (including, without limitation, employee medical, dental, registered retirement savings plan contributions and similar benefit plans or arrangements), vacation pay and employee and director expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements and all other payroll and benefits processing and servicing expenses;
- (b) subject to further Order of this Court, all outstanding amounts related to honouring gift cards incurred in the ordinary course of business and consistent with existing policies and procedures, but only up to April 6, 2025;

- (c) the fees and disbursements of any Assistants retained or employed by the Applicants, at their standard rates and charges;
- (d) with the consent of the Monitor, amounts owing for goods or services supplied to the Applicants prior to the date of the Initial Order by:
 - (i) logistics or supply chain providers, including transportation providers, customs brokers, freight forwarders and security and armoured truck carriers, and including amounts payable in respect of customs and duties for goods;
 - (ii) providers of information, internet, telecommunications and other technology, including e-commerce providers and related services;
 - (iii) providers of payment, credit, and debit processing related services; and
 - (iv) other third-party suppliers or service providers,

if, in the opinion of the Applicants following consultation with the Monitor, such supplier or service provider is critical to the Business.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled, subject to compliance with the DIP Budget, but not required, to pay all reasonable expenses incurred by them in carrying on their Business in the ordinary course after the date of the Initial Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of the Initial Order, including, with the consent of the Monitor, payments to obtain the release or delivery of goods contracted for prior to the date of the Initial Order.

9. **THIS COURT ORDERS** that the Applicants shall, in accordance with legal requirements, remit or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from the Applicants' employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, (iv) income taxes, and (v) all other amounts related to such deductions or employee wages payable for periods following the date of the Initial Order pursuant to the *Income Tax Act* (Canada), the Canada Pension Plan, the *Employment Insurance Act* (Canada) or similar provincial statutes;
- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of the Initial Order, and only if provided for in the DIP Budget, where such Sales Taxes were accrued or collected prior to the date of the Initial Order but not required to be remitted until on or after the date of the Initial Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease, including a sublease, and related documentation (each a "**Lease**") to which any Applicant is a party is disclaimed in accordance with the CCAA or otherwise consensually terminated, such Applicant shall pay all amounts constituting rent or payable as rent under Leases (including, for greater certainty, common area maintenance charges, utilities and any other amounts payable to the applicable landlord (each a "**Landlord**") under such Lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicants or the making of this Order) or as otherwise may be negotiated between the Applicant and the Landlord from time to

time ("**Rent**"), for the period commencing from and including the date of the Initial Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of the Initial Order shall also be paid. Without prejudice to the rights and claims of the Non-Applicant Stay Parties, any Rent payable by Hudson's Bay to RioCan-Hudson's Bay JV, YSS 1, or YSS 2, under a Lease shall be stayed and suspended pending further Order of this Court, provided that Hudson's Bay shall be required to pay to RioCan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable, that amount of Rent payable by Riocan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable, to its Landlord under the JV Head Lease until such JV Head Lease is disclaimed in accordance with the CCAA or otherwise consensually terminated.

11. **THIS COURT ORDERS** that the Applicants shall not disclaim or resiliate any Lease without the prior written consent of the Term Loan Lenders, which consent shall not be unreasonably withheld, conditioned or delayed; provided that if the Term Loan Lenders do not consent to the disclaimer or resiliation of any Lease, the Term Loan Lenders shall pay to the Applicants the amount of all rental payments due under such Lease after the date on which the disclaimer or resiliation would have become effective and any such payment shall be a Protective Advance (as defined in the Pathlight Credit Facility), subject to the terms of the Pathlight Credit Facility, as may be amended in accordance with its terms".

12. **THIS COURT ORDERS** that notwithstanding paragraph 10, any Rent that was required to be paid to a Landlord under a Lease (which for greater certainty, excludes any Rent from Hudson's Bay to Riocan-Hudson's Bay JV, YSS 1, or YSS 2, as applicable) that was not paid on March 15, 2025, will be paid on or before March 19, 2025.

13. **THIS COURT ORDERS** that, except as specifically permitted herein, or as provided for in the A&R DIP Agreement and the DIP Budget, Hudson's Bay Canada is hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any one of the Hudson's Bay Canada entities to any of their creditors as of the date of the Initial Order except as expressly provided for in the DIP Budget;
- (b) to grant no security interests, trusts, liens, mortgages, charges or encumbrances upon or in respect of any of Hudson's Bay Canada's current and future assets,

undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof ("**Hudson's Bay Canada's Property**"); and

- (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

14. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) in addition to any liquidation conducted pursuant to the Liquidation Solicitation Process, permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) vacate, abandon, or quit the whole but not part of any leased premises and/or disclaim any Lease, and any ancillary agreements relating to any leased premises;
- (c) terminate the employment of any of their employees or temporarily lay off any of their employees as they deem appropriate;
- (d) in consultation with the Monitor, engage in discussions with, and solicit proposals and agreements from, third parties in respect of the liquidation of the inventory, furniture, equipment and fixtures located in and/or forming part of the Property (the "**Liquidation Solicitation Process**"), and return to Court for the approval of any such agreement;
- (e) in consultation with the Monitor, engage in discussions with, and solicit proposals and agreements from, real estate advisors and other Assistants as may be desirable to pursue all avenues and offers for the sale, transfer or assignment of Leases (and any leases held by the Non-Applicant Stay Parties) to third parties, in whole or in part (the "**Lease Monetization Process**") and return to Court for approval of any such agreement; and
- (f) pursue all restructuring options for Hudson's Bay Canada including, without limitation, all avenues of refinancing of their business ("**Hudson's Bay Canada's**

Business") or Hudson's Bay Canada's Property, in whole or in part, subject to the prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

15. **THIS COURT ORDERS** that the relevant Applicant shall provide each of the relevant Landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant Landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the Landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the Lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such Landlord and the Applicant, or by further Order of this Court upon application by such Applicant on at least two (2) days notice to such Landlord and any such secured creditors. If the relevant Applicant disclaims the Lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such Lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the Lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant Landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such Landlord may have against such Applicant in respect of such Lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

STAY OF PROCEEDINGS

17. **THIS COURT ORDERS** that until and including May 15, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of Hudson's Bay Canada or the Monitor, or their respective employees, directors, advisors, officers

and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of Hudson's Bay Canada and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of Hudson's Bay Canada or their employees, directors, officers or representatives acting in such capacities, or affecting Hudson's Bay Canada's Business and Hudson's Bay Canada's Property are hereby stayed and suspended pending further Order of this Court.

18. **THIS COURT ORDERS** that during the Stay Period, no Person having any agreements or arrangements with the owners, operators, managers or landlords of commercial shopping centres or other commercial properties (including retail, office and industrial (warehouse) properties) in which there is located a store, office or warehouse owned or operated by Hudson's Bay Canada shall take any Proceedings or exercise any rights or remedies under such agreements or arrangements that may arise upon and/or as a result of the making of the Initial Order, any declarations of insolvency by the Applicants or as a result of any steps taken by Hudson's Bay Canada pursuant to the Initial Order, and, without limiting the generality of the foregoing, no Person shall terminate, accelerate, suspend, amend, modify, determine or cancel any such arrangement or agreement or be entitled to exercise any rights or remedies in connection therewith, including with respect to any Lease.

NO EXERCISE OF RIGHTS OR REMEDIES

19. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of Hudson's Bay Canada or the Monitor, or their respective employees, directors, officers, advisors and representatives acting in such capacities or affecting Hudson's Bay Canada's Business or Hudson's Bay Canada's Property, are hereby stayed and suspended except with the prior written consent of Hudson's Bay Canada and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower Hudson's Bay Canada to carry on any business which they are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

20. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Hudson's Bay Canada, including but not limited to renewal rights in respect of existing insurance policies on the same terms, except with the prior written consent of Hudson's Bay Canada and the Monitor, or with leave of this Court.

CONTINUATION OF SERVICES

21. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with Hudson's Bay Canada or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payment processing services, payroll and benefit services, insurance, freight services, transportation services, customs clearing, warehouse and logistic services, utility or other services to Hudson's Bay Canada's Business or Hudson's Bay Canada are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply or license of such goods or services as may be required by Hudson's Bay Canada and that Hudson's Bay Canada shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, email addresses, social media accounts, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by Hudson's Bay Canada in accordance with normal payment practices of Hudson's Bay Canada or such other practices as may be agreed upon by the supplier or service provider and each of the Hudson's Bay Canada entities and the Monitor, or as may be ordered by this Court.

NO PRE-FILING VS POST-FILING SET-OFF

22. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to Hudson's Bay Canada in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from Hudson's Bay Canada in respect of obligations arising on or after the date of the Initial Order; or (b) are or may become due from Hudson's Bay Canada in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to Hudson's Bay Canada in respect of

obligations arising on or after the date of the Initial Order, in each case without the consent of Hudson's Bay Canada and the Monitor, or with leave of this Court.

NON-DEROGATION OF RIGHTS

23. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, (other than pursuant to Section 9), no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of the Initial Order, nor shall any Person be under any obligation on or after the date of the Initial Order to advance or re-advance any monies or otherwise extend any credit to Hudson's Bay Canada. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

KEY EMPLOYEE RETENTION PLAN

24. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described in the Second Bewley Affidavit, an unredacted copy of which is attached as Confidential Appendix "[●]" to the First Report, is hereby approved and the Applicants are authorized to make the payments contemplated thereunder in accordance with the terms and conditions of the KERP.

25. **THIS COURT ORDERS** that payments made by the Applicants pursuant to this Order do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

26. **THIS COURT ORDERS** that the Key Employees referred to in the KERP shall be entitled to the benefit of and are hereby granted a charge on the Property (the "**KERP Charge**"), which charge shall not exceed an aggregate amount of \$3,000,000 to secure any payments to the Key Employees under the KERP. The KERP Charge shall have the priority as set out in paragraphs 48 and 50 herein.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

27. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of Hudson's Bay Canada with respect to any claim against the directors or officers that arose before the date of the Initial Order and that relates to any obligations of Hudson's Bay Canada whereby the directors or officers are alleged under

any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

28. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

29. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$49,200,000, as security for the indemnity provided in paragraph 28 of this Order. The Directors' Charge shall have the priority as set out in paragraphs 48 and 50 herein.

30. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 28 of this Order.

APPOINTMENT OF MONITOR

31. **THIS COURT ORDERS** that A&M is, as of the date of the Initial Order, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that Hudson's Bay Canada and their shareholders, partners, members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by Hudson's Bay Canada pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

32. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements and the compliance with the DIP Budget;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination of financial and other information to the DIP Agent and its counsel on a periodic basis as agreed to between the Applicants and the DIP Agent, or as may reasonably be requested by the DIP Agent;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Agent, which information shall be reviewed with the Monitor and delivered to the DIP Agent and its counsel on a periodic basis, or as may reasonably be requested by the DIP Agent;
- (e) advise the Applicants in their development of a Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons, as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) liaise and consult with any Assistants, any liquidators selected through the Liquidation Solicitation Process and any real estate advisors or other Assistants selected through the Lease Monetization Process, to the extent required, with respect to all matters related to the Property, the Business, and such other matters as may be relevant to the proceedings herein; and

- (j) perform such other duties as are required by this Order or by this Court from time to time.

33. **THIS COURT ORDERS** that the Monitor shall not take possession of Hudson's Bay Canada's Property and shall take no part whatsoever in the management or supervision of the management of Hudson Bay Canada's Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of Hudson's Bay Canada's Business or Hudson's Bay Canada's Property, or any part thereof.

34. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of Hudson's Bay Canada's Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *British Columbia Environmental Management Act*, the *British Columbia Riparian Areas Protection Act*, the *British Columbia Workers Compensation Act*, the *Alberta Environmental Protection and Enhancement Act*, the *Alberta Water Act*, the *Alberta Occupational Health and Safety Act*, the *Manitoba Environment Act*, the *Manitoba Contaminated Sites Remediation Act*, the *Manitoba Workplace Safety and Health Act*, the *Quebec Environmental Quality Act*, the *Quebec Act Respecting Occupation Health and Safety*, *The Environmental Management and Protection Act, 2010* (Saskatchewan), *The Agricultural Operations Act* (Saskatchewan), *The Dangerous Goods Transportation Act* (Saskatchewan), *The Saskatchewan Employment Act*, *The Emergency Planning Act* (Saskatchewan), *The Water Security Agency Act* (Saskatchewan), the *Nova Scotia Environment Act*, the *Nova Scotia Water Resources Protection Act*, or the *Nova Scotia Occupational Health and Safety Act*, and the regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of Hudson's Bay Canada's Property within the meaning of any Environmental Legislation, unless it is actually in possession.

35. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

36. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

37. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of the Initial Order by the Applicants, as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants bi-weekly or on such other terms as such parties may agree. In addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Monitor, retainers in the amounts of \$200,000 each, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

38. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

39. **THIS COURT ORDERS** that the Applicants' counsel, Reflect Advisors, LLC ("**Reflect**"), the Monitor, and its counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,800,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority as set out in paragraphs 48 and 50 hereof.

APPROVAL OF ADVISOR AGREEMENT

40. **THIS COURT ORDERS** that the agreement dated February 14, 2025, engaging Reflect as financial advisor to Hudson's Bay in the form attached as Exhibit "F" to the Second Bewley Affidavit (the "**Reflect Engagement Agreement**"), and the retention of Reflect under the terms thereof, is hereby approved and ratified and the Applicants are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the Reflect Engagement Agreement.

DIP FACILITY

41. **THIS COURT ORDERS** that Hudson's Bay is hereby authorized and empowered to obtain and borrow under the DIP Facility from the DIP Lenders in accordance with and subject to the A&R DIP Agreement provided that such borrowings shall not individually or in the aggregate exceed \$23,000,000 in order to finance the working capital requirements, and other general corporate purposes and capital expenditures of itself and HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, and The Bay Limited Partnership (collectively, the "**Loan Parties**").

42. **THIS COURT ORDERS** that such DIP Facility shall be on the terms and subject to the conditions set forth in the A&R DIP Agreement (subject to such non-material modifications as agreed to by the parties to the A&R DIP Agreement and consented to by the Monitor) between the Loan Parties and the DIP Lenders dated as of March 14, 2025, appended as **Exhibit "C"** to the Second Bewley Affidavit (the "**A&R DIP Agreement**").

43. **THIS COURT ORDERS** that the Loan Parties are hereby authorized and empowered to execute and deliver such agreements, instruments, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the A&R DIP Agreement, the "**Definitive Documents**"), as may be contemplated by the A&R DIP Agreement or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Loan Parties are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the Definitive Documents (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

44. **THIS COURT ORDERS** that the DIP Agent, for the benefit of itself and the DIP Lenders, is hereby granted a charge (the “**DIP Charge**”) on the Loan Parties’ Property as security for the DIP Obligations, which DIP Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the Definitive Documents. The DIP Charge shall not secure an obligation that exists before the date of the Initial Order. The DIP Charge shall have the priority as set out in paragraphs 48 and 50 hereof.

45. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Agent may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Charge, the DIP Agent on behalf of the DIP Lenders, (i) upon three business days’ notice to the Loan Parties and the Monitor, may exercise any and all of its rights and remedies against the Loan Parties or the Loan Parties’ Property under or pursuant to the Definitive Documents and the DIP Charge, including without limitation to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver or for a bankruptcy order against the Loan Parties and for the appointment of a trustee in bankruptcy of the Loan Parties, or to seize and retain proceeds from the sale of the Property and the cash flow of the Loan Parties to repay amounts owing to the DIP Lenders in accordance with the Definitive Documents (subject in each case to the priorities set out in paragraph 48 of this Order), and (ii) immediately upon providing written notice of the occurrence of an Event of Default to the Loan Parties and the Monitor, may cease making advances to Hudson’s Bay and set off and/or consolidate any amounts owing by the DIP Lenders to the Loan Parties against the obligations of the Loan Parties to the DIP Lenders under the Definitive Documents or the DIP Charge, and make demand, accelerate payment and give other notices; and
- (c) the foregoing rights and remedies of the DIP Agent and the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Loan Parties or the Loan Parties’ Property.

46. **THIS COURT ORDERS AND DECLARES** that the DIP Agent and the DIP Lenders be treated as unaffected in any Plan, or any proposal filed under the *Bankruptcy and Insolvency Act* (Canada), with respect to any advances made under the Definitive Documents.

47. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Agent and the DIP Lenders, whether under this Order (as made prior to the Variation), under the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lenders being given notice of the Variation, and the DIP Lenders shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

48. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors’ Charge, the DIP Charge and the KERP Charge (collectively, the “**Charges**”), as among them, shall be as follows:

With respect to all Property other than the Loan Parties’:

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

Second – KERP Charge (to the maximum amount of \$3,000,000 and

Third – Directors’ Charge (to the maximum amount of \$49,200,000).

With respect to the Loan Parties’ Property, subject in all cases to the Priority Waterfall (as defined in the A&R DIP Agreement), as amongst themselves, the priorities of the Charges shall be as follows:

Priority Ranking	ABL Priority Collateral	Pathlight Priority Collateral	Other Collateral (as defined in the DIP Agreement)
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1 st	Administration Charge (to the maximum amount of \$2,800,000).	Administration Charge (to the maximum amount of \$2,800,000).	Administration Charge (to the maximum amount of \$2,800,000).
2 nd	KERP Charge (to the maximum amount of \$3,000,000).	KERP Charge (to the maximum amount of \$3,000,000).	KERP Charge (to the maximum amount of \$3,000,000).
3 rd	All amounts owing under the Revolving Credit Facility and FILO Credit Facility (other than Excess ABL Obligations).	All amounts owing under the Pathlight Credit Facility (other than Excess Term Loan Obligations).	Directors' Charge (to the maximum amount of \$13,500,000).
4 th	Directors' Charge (to the maximum amount of \$13,500,000).	All amounts owing under the Revolving Credit Facility and FILO Credit Facility (other than Excess ABL Obligations).	DIP Charge.
5 th	DIP Charge.	Directors' Charge (to the maximum amount of \$13,500,000)	Directors' Charge (to the maximum amount of \$35,700,000).
6 th	Directors' Charge (to the maximum amount of \$35,700,000).	DIP Charge.	
7 th	Term Loan Obligations (other than Excess Term Loan Obligations).	Directors' Charge (to the maximum amount of \$35,700,000).	

49. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

50. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person (except for the DIP Charge, which shall only constitute a charge on the Loan Parties' Property, and rank behind the security interests of the ABL Agent, the FILO Agent, the ABL Lenders, the Pathlight Agent, and the Pathlight Lenders but in priority to all other Encumbrances).

51. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari*

passu with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Agent and the beneficiaries of the Administration Charge the Directors' Charge, and the KERP Charge or further Order of this Court.

52. **THIS COURT ORDERS** that the Administration Charge, the Directors' Charge, the KERP Charge, the DIP Definitive Documents and the DIP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal, provincial or other statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Loan Parties entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

53. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SEALING

54. **THIS COURT ORDERS** that Confidential Appendix “[●]” to the First Report is hereby sealed pending further order of the Court, and shall not form part of the public record.

SERVICE AND NOTICE

55. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of any individual persons who are creditors available.

56. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: alvarezandmarsal.com/HudsonsBay

57. **THIS COURT ORDERS** that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

58. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

59. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder.

60. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any Hudson's Bay Canada entity, the Business or the Property.

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

62. **THIS COURT ORDERS** that each of the Applicants and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

63. **THIS COURT ORDERS** that, subject to paragraph 47, any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

64. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern/Daylight Time on the date of this Order.

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED INITIAL ORDER
(MARCH 17, 2025)**

STIKEMAN ELLIOTT LLP
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Lawyers for the Applicants

Exhibit B-2

Form of Approval Order (Lease Solicitation Process)

[see attached]

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

THE HONOURABLE MR.)	MONDAY, THE 17TH DAY
)	
JUSTICE OSBORNE)	OF MARCH, 2025

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC
BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC
CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.**

**ORDER
(Lease Monetization Process)**

THIS MOTION, made by Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**Hudson's Bay**"), HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order approving the Lease Monetization Process (defined below) was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the affidavits of Jennifer Bewley sworn March 7, 2025, and March 14, 2025, and the Exhibits thereto, the pre-filing report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as proposed monitor of the Applicants dated March 7, 2025 (the "**Pre-Filing Report**"), the first report of A&M, in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), dated March 16, 2025, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of Brittney Ketwaroo sworn March 17, 2025.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein have the meanings ascribed in the Lease Monetization Process or the Amended and Restated Initial Order, dated March 17, 2025 (the “**ARIO**”), as applicable.

APPROVAL OF THE LEASE MONETIZATION PROCESS

3. **THIS COURT ORDERS** that the Lease Monetization Process attached hereto as **Schedule “A”** (the “**Lease Monetization Process**”) is hereby approved. The Applicants, the Monitor and the Broker (each as defined in the Lease Monetization Process) are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Lease Monetization Process.
4. **THIS COURT ORDERS** that each of the Applicants, the Monitor, the Broker and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Lease Monetization Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Applicants, the Monitor, or the Broker, as applicable, in performing their obligations under the Lease Monetization Process, as determined by this Court.
5. **THIS COURT ORDERS** that notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit or participate in a Sale Proposal must declare such intention to the Monitor and the Broker in writing by April 7, 2025. If the Applicant or any Related Person makes such declaration, the Monitor and the Broker shall design and implement additional procedures for the Lease Monetization Process in respect of the sharing of information with the Applicants so as to ensure and preserve the fairness of the Lease Monetization Process and shall advise the parties on the service list for these proceedings of these additional procedures.

6. **THIS COURT ORDERS** that notwithstanding any other term contained herein and paragraph 11 of the ARIO, on or before July 15, 2025, the Applicants shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or the Lease Monetization Order that has not been terminated in accordance with terms thereof.

7. **THIS COURT ORDERS** that, pursuant to section 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS), the Applicants, the Monitor and the Broker are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the Lease Monetization Process in these proceedings.

8. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties hereunder.

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

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

LEASE MONETIZATION PROCESS

Introduction

On March 7, 2025, Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI (the "**Company**") and those parties listed in Schedule "**A**" hereto (collectively, the "**Applicants**") sought and obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an initial order (as amended, restated or varied from time to time, the "**Initial Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Parties listed in Schedule "**B**" were also granted protection as "Non-Applicant Stay Parties". Alvarez & Marsal Canada Inc. was appointed as monitor in the CCAA proceedings (in such capacity, the "**Monitor**").

On March 14, 2025, the Applicants served a motion seeking, among other things, an order for the approval of a sale process (as same may be amended from time to time, the "**Lease Monetization Process**") pursuant to, and in accordance with, the Lease Monetization Order (as defined below) to be conducted under the supervision of the Court and the Monitor.

The purpose of this Lease Monetization Process is to seek Sale Proposals from Qualified Bidders and to implement one or a combination of them in respect of the Leases, which implementation may include sales, dispositions, assignments, surrender (if accepted by the applicable landlord), or other transaction forms. The Applicants, in their reasonable business judgment, and in consultation with the Broker, the Monitor, the DIP Agent and the Pathlight Agent, may, from time to time, withdraw any Lease from this Lease Monetization Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease.

On March 17, 2025, the Court entered an order approving the Lease Monetization Process (the "**Lease Monetization Order**").

This Lease Monetization Process describes, among other things: (a) the Leases available for sale (which, for greater certainty, is without prejudice to the position of a Landlord as to whether a Non-Applicant Stay Party's interest in a Lease can be subject to such sale) (the "**Landlord Reservation of Rights**"); (b) the manner in which Interested Bidders may gain access to due diligence materials concerning the Leases; (c) the manner in which bidders and bids become Qualified LOI Bidders or Qualified Bidders and Qualified LOI Bids or Qualified Bids, respectively; (d) the ultimate selection of one or more Successful Bidders; and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid, as applicable.

Defined Terms

1. The following capitalized terms have the following meanings when used in this Lease Monetization Process:
 - (a) "**Applicants**" is defined in the introduction hereto.
 - (b) "**Approval Motion**" is defined in paragraph 23.
 - (c) "**ARIO**" means the Amended and Restated Initial Order dated March 17, 2025
 - (d) "**Broker**" means Jones Lang LaSalle Real Estate Services, Inc.

- (e) **“Business Day”** means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
- (f) **“CA”** means a confidentiality agreement in form and substance satisfactory to the Company, in consultation with the Monitor. For greater certainty, there is no requirement for Landlords to enter into CA's in respect of their own Leases.
- (g) **“CCAA”** is defined in the introduction hereto.
- (h) **“Company”** is defined in the introduction hereto.
- (i) **“Court”** is defined in the introduction hereto.
- (j) **“Deposit”** is defined in paragraph 20(k).
- (k) **“DIP Agent”** means Restore Capital, LLC, including its consultants, advisors and representatives.
- (l) **“Form of Purchase Agreement”** means the form of purchase and sale agreement to be developed by the Applicants, in consultation with the Monitor and the Broker, and provided to Qualified Bidders that submit a Qualified LOI for a Sale Proposal.
- (m) **“Initial Order”** is defined in the introduction hereto.
- (n) **“Interested Bidder”** is defined in paragraph 8.
- (o) **“Landlord LOI”** means a non-binding letter of intent from a landlord for an acquisition or consensual transaction for one or more of its Leases that is submitted on or before the Phase 1 Bid Deadline.
- (p) **“Landlord Qualified Bid”** means a final binding proposal from a landlord for an acquisition or consensual transaction for one or more of its Leases and which meets the requirements set out in paragraphs 20(a), 20(c), 20(d), 20(e), 20(g), 20(h), 20(i), 20(j), 20(k) and 20(l).
- (q) **“Lease Monetization Order”** is defined in the introduction hereto.
- (r) **“Leases”** means the Applicants' and the Non-Applicant Stay Parties' leasehold interests and all related rights and obligations in connection with the properties listed in Schedule **“C”** hereto, subject in all respects to the Landlord's Reservation of Rights, as defined herein.
- (s) **“LOI”** is defined in paragraph 7.
- (t) **“Monitor”** is defined in the introduction hereto.
- (u) **“Non-Applicant Stay Parties”** are the entities listed in Schedule **“B”** hereto.
- (v) **“Outside Date”** means June 17, 2025.

- (w) **"Pathlight Agent"** means Pathlight Capital LP, by its general partner, Pathlight GP LLC, as agent to certain lenders under the Pathlight Credit Facility (as defined in the Affidavit of Jennifer Bewley sworn March 7, 2025).
- (x) **"Phase 1"** is defined in paragraph 7.
- (y) **"Phase 1 Bid Deadline"** is defined in paragraph 9.
- (z) **"Phase 2"** means such period of time from the Phase 1 Bid Deadline to the Approval Motion.
- (aa) **"Qualified Bid"** means an offer or combination of offers, in the form of a Sale Proposal or Sale Proposals, which meets the requirements of paragraph 20.
- (bb) **"Qualified Bid Deadline"** is defined in paragraph 18.
- (cc) **"Qualified Bidder"** means a bidder that submits a Qualified Bid.
- (dd) **"Qualified LOI"** is defined in paragraph 10.
- (ee) **"Qualified LOI Bid"** is defined in paragraph 16.
- (ff) **"Qualified LOI Bidder"** is defined in paragraph 16.
- (gg) **"Related Person"** has the same meaning as in the *Bankruptcy and Insolvency Act* (Canada).
- (hh) **"Sale Proposal"** means an offer to acquire or otherwise assume of all or some of the Leases. A "Sale Proposal" may include a transaction involving the assignment and assumption, and/or surrender of a Lease or Leases (in the case of a surrender, such proposal may only form part of a Landlord Qualified Bid, or otherwise require the Landlord's consent to a surrender of the Lease).
- (ii) **"SISP"** means the Sale and Investment Solicitation Process approved by the Court on March 17, 2025.
- (jj) **"Successful Bid"** is defined in paragraph 22(b).
- (kk) **"Successful Bidder"** is defined in paragraph 22(b).
- (ll) **"Targeted Outside Date"** means June 3, 2025, or such later date as may be determined by the Applicants, on consent of the Monitor, in consultation with the Broker, the Pathlight Agent and the DIP Agent, provided that in no event shall such date be after June 17, 2025.
- (mm) **"Teaser Letter"** is defined in paragraph 4.

Supervision of the Lease Monetization Process

2. The Monitor will supervise, in all respects, the Lease Monetization Process, any attendant sales and, without limitation, will supervise the Broker's performance under its engagement by the Company in connection therewith. The Applicants shall assist and support the efforts of

the Monitor and the Broker as provided for herein. In the event that there is disagreement or clarification required as to the interpretation or application of this Lease Monetization Process or the responsibilities of the Monitor, the Broker or the Applicants hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of any interested person. For the avoidance of doubt, and without limiting the rights and protections afforded to the Monitor under the CCAA, the Initial Order and the Lease Monetization Order, the terms of the Initial Order and the Lease Monetization Order shall govern the Monitor's role as it relates to the Lease Monetization Process.

"As Is, Where Is"

3. The sale of the Leases will be on an **"as is, where is"** basis and without representations or warranties of any kind, nature, or description by the Monitor, the Broker, the Applicants or any of their respective directors, officers, employees, advisors, professionals, agents, estates or otherwise, except and only to the extent set forth in a definitive sale agreement executed by an Applicant.

Solicitation of Interest

4. As soon as reasonably practicable, but in any event no later than three (3) Business Days after the issuance of the Lease Monetization Order, the Broker shall distribute an initial offering summary of the Leases in form acceptable to the Applicants and the Monitor (the **"Teaser Letter"**) notifying those potentially interested parties that are identified by the Broker, the Monitor and the Applicants, each in their sole discretion, of the existence of the Lease Monetization Process and inviting such parties to express an interest in making an offer to acquire all or some of the Leases.

Participation Requirements

5. Unless otherwise ordered by the Court, or as otherwise determined by the Applicants, in consultation with the Monitor, each person seeking to participate in the Lease Monetization Process other than a Landlord in respect of any of its own Leases must deliver to the Broker at the address specified in Schedule **"D"** hereto (including by email transmission):
 - (a) a letter setting forth such person's identity, the contact information for such person and full disclosure of the principals of such person; and
 - (b) an executed CA which shall include provisions whereby such person agrees to accept and be bound by the provisions contained therein.
6. The DIP Agent and any other secured lender of the Applicants shall not have the right to credit bid their secured debt against the assets secured thereby.

LEASE MONETIZATION PROCESS - PHASE 1

Phase 1 Initial Timing

7. For a period from the date of the Lease Monetization Order until the Phase 1 Bid Deadline (**"Phase 1"**), the Broker (with the assistance of the Monitor and the Applicants) will solicit non-binding letters of intent from prospective parties to acquire one or more of the Leases (each, an **"LOI"**).

Due Diligence

8. Subject to the provisions of paragraph 30, the Broker will provide each party who executes a CA (an **"Interested Bidder"**) with access to an electronic data room. The Monitor, the Broker and the Applicants, and each of their representatives, make no representation or warranty as to the information: (a) contained in the electronic data room; (b) provided through any diligence process; or (c) otherwise made available, except to the extent expressly contemplated in any definitive sale agreement executed by an Applicant.

Non-Binding Letters of Intent from Interested Bidders

9. Interested Bidders that wish to pursue a Sale Proposal must deliver an LOI to the Broker at the address specified in Schedule **"D"** hereto (including by email transmission), so as to be received by the Broker not later than 5:00 PM (Toronto time) on or before April 15, 2025, or such later date or time as may be determined by the Applicants, with the consent of the Monitor, in consultation with the Broker, the Pathlight Agent and the DIP Agent (the **"Phase 1 Bid Deadline"**). Notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit an LOI or participate in Lease Monetization Process must declare such intention to the Broker and the Monitor in writing by April 7, 2025. If the Applicant or any Related Party makes such declaration, the Broker and the Monitor shall design and implement additional procedures for the Lease Monetization Process in respect of the sharing of information with the Applicants so as to ensure and preserve the fairness of the Lease Monetization Process and shall advise the parties on the service list for these proceedings of these additional procedures.
10. An LOI so submitted will be considered a qualified LOI for the purposes hereof (each a **"Qualified LOI"**) only if:
- (a) it is submitted on or before the Phase 1 Bid Deadline;
 - (b) it contains an indication of whether the Interested Bidder is offering to acquire all or some of the Leases;
 - (c) it identifies or contains the following:
 - (i) the purchase price (or range thereof) in Canadian dollars;
 - (ii) the Leases or Lease subject to the transaction; and
 - (iii) any proposed allocation of the purchase price as between each Lease;
 - (d) it provides a general description of any likely financing associated with the proposed transaction, subject to any restrictions that may exist in the applicable Leases;
 - (e) it provides a general description as to whether the Interested Bidder anticipates its bid containing any provisions that do not conform to the restrictions surrounding the "permitted use" of the property as defined in each of the Leases;
 - (f) it describes any additional due diligence required to be conducted during Phase 2;
 - (g) it identifies any anticipated terms or conditions of the Sale Proposal that may be material to the proposed transaction; and

- (h) it contains such other information reasonably requested by the Applicants in consultation with the Monitor and the Broker.
- 11. Notwithstanding anything to the contrary contained herein, a Landlord LOI shall be deemed to be a Qualified LOI.
- 12. The Applicants, with the consent of the Monitor and in consultation with the Broker, may waive compliance with any one or more of the requirements specified in paragraph 10 (other than those in 10(c) and (d)) and deem such non-compliant bids to be a Qualified LOI. However, for the avoidance of doubt, the completion of any Sale Proposal shall be subject to the approval of the Court and the requirement of such approval may not be waived.

Assessment of Qualified LOIs and Continuation or Termination of Lease Monetization Process

- 13. Within five (5) Business Days following the Phase 1 Bid Deadline, or such later date as may be reasonably determined by the Applicants with the consent of the Monitor, in consultation with the Broker the Pathlight Agent and the DIP Agent, the Applicants will, in consultation with the Broker, the Pathlight Agent, the DIP Agent and the Monitor, assess the Qualified LOIs received during Phase 1, and will determine whether there is a reasonable prospect of obtaining a Qualified Bid. For the purpose of such consultations and evaluations, the Monitor or the Broker may request clarification of the terms of any Qualified LOI submitted by an Interested Bidder.
- 14. In assessing the Qualified LOIs submitted in Phase 1, the Applicants, following consultation with the Monitor, the Pathlight Agent, the DIP Agent and the Broker, will consider, among other things, the following:
 - (a) the form and amount of consideration being offered;
 - (b) the effect of accepting Sale Proposals which are not on an en bloc basis;
 - (c) the financial capability of the Interested Bidder to consummate the proposed transaction;
 - (d) the financial and other capabilities of the Interested Bidder to perform, observe and comply with the terms (including payment, use provisions and other obligations) of the applicable Lease(s);
 - (e) the anticipated conditions to closing of the proposed transaction (including any required regulatory and landlord approvals);
 - (f) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Broker, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date and in any event, no later than the Outside Date; and
 - (g) such other criteria as the Applicants may, in consultation with the Monitor and the Broker, determine.
- 15. If one or more Qualified LOIs are received and the Applicants, in consultation with the Broker, the Pathlight Agent, the DIP Agent and the Monitor, determine that there is a reasonable

prospect of obtaining a Qualified Bid, the Applicants shall continue the Lease Monetization Process as set forth herein.

PHASE 2

Due Diligence

16. Each Interested Bidder that: (a) submits a Qualified LOI; and (b) is not eliminated from the Lease Monetization Process by the Applicants, following consultation with the Broker and the Monitor, and after assessing whether such Qualified LOI meets the criteria in paragraph 14 herein, may be invited by the Applicants to participate in Phase 2 (each such bidder, a **"Qualified LOI Bidder"**).
17. Subject to the provisions of paragraph 30, to the extent that a Qualified LOI Bidder requested due diligence within their Qualified LOI as per paragraph 10(f) herein, the Broker will provide the Qualified LOI Bidder with access to due diligence materials and information relating to the Leases as the Applicants, in their reasonable business judgment and in consultation with the Broker and the Monitor, determine appropriate, including all guarantees and indemnities by any person, and information or materials reasonably requested by Qualified LOI Bidders.

Qualified Bids

18. The Phase 2 deadline for submission of binding bids to be considered for the sales of Lease(s) (the **"Qualified Bids"**) shall be May 1, 2025, or such later date or time as may be determined by the Applicants with the consent of the Monitor and in consultation with the Broker, the Pathlight Agent and the DIP Agent (the **"Qualified Bid Deadline"**).
19. Notwithstanding anything to the contrary herein, a Landlord Qualified Bid shall be deemed to be a Qualified Bid.
20. Any Qualified LOI Bidder who wishes to become a Qualified Bidder must submit a Qualified Bid satisfying the conditions set forth below for the applicable Lease(s):
 - (a) it is received by the Qualified Bid Deadline;
 - (b) it is a final binding proposal in the form of a duly authorized and executed purchase agreement, including the purchase price for the Leases proposed to be acquired, based on the Form of Purchase Agreement and accompanied by a clean Word version and a blacklined mark-up to the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified LOI Bidder with all exhibits and schedules thereto;
 - (c) it is irrevocable until the earlier of: (i) the approval by the Court of a Successful Bid, and (ii) 28 days following the Qualified Bid Deadline, provided that if such bidder is

selected as a Successful Bidder, its offer will remain irrevocable until the closing of its Successful Bid;

- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate and perform the proposed transaction, and to meet all of the financial obligations under the Lease(s) that will allow the Applicants, in consultation with the Broker and the Monitor, to make a reasonable determination as to the Qualified LOI Bidder's financial and other capabilities to consummate and perform the transaction contemplated by its Qualified Bid;
- (e) it lists the Lease(s) proposed to be subject to the bid and an allocation of the purchase price on a Lease by Lease basis;
- (f) it includes details of any amendments which such Qualified LOI Bidder seeks in respect of any such Lease(s) from the applicable landlord(s) and other non-landlord liabilities to be assumed by the Qualified LOI Bidder, provided that, for greater certainty, nothing in this Lease Monetization Process shall be construed to: (i) permit or require any amendments to the terms of any Lease(s) without the prior written consent of the applicable landlord(s), or (ii) obligate any landlord to negotiate with a Qualified LOI Bidder regarding any such amendments;
- (g) it is not conditional upon, among other things:
 - (i) the outcome of unperformed due diligence by the Qualified LOI Bidder; or
 - (ii) obtaining financing;
- (h) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (i) with respect to any condition to closing contained in the definitive documentation, it outlines the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (j) it includes evidence, in form and substance reasonably satisfactory to the Applicants, the Monitor and the Broker, that the requisite authorization(s) and/or approval(s) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid have been obtained by the bidder;
- (k) it is accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor on behalf of the Applicants, in trust, in an amount equal to 10% of the purchase price for the Lease(s) proposed to be acquired, to be held and dealt with in accordance with the terms of a definitive agreement executed by an Applicant and this Lease Monetization Process.
- (l) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Leases to be acquired or liabilities to be assumed or the completeness

of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and (iii) acknowledges that the occupancy of the premises set forth in the Leases may not be available until the completion of any inventory sale at the premises; and

- (m) it contains such other information reasonably requested by the Applicants, in consultation with the Monitor and the Broker.
21. The Applicants with the consent of the Monitor, in consultation with the Broker, the Pathlight Agent, the DIP Agent and the Monitor may waive compliance with any one or more of the requirements with respect to Qualified Bids or Landlord Qualified Bids specified herein.
22. The Applicants, in consultation with the Broker, the Monitor, the DIP Agent and the Pathlight Agent:
- (a) may engage in negotiations with Qualified Bidders as they deem appropriate and may accept revisions to Qualified Bids, in their discretion;
 - (b) shall determine which is the most favourable bid with respect to such Lease(s) (the **“Successful Bid”** and the person(s) who made the Successful Bid shall become the **“Successful Bidder”**), taking into account, among other things:
 - (i) the form and amount of consideration being offered;
 - (ii) whether the Qualified Bid maximizes value for the Leases, including the effect of accepting Sale Proposals which are not on an en bloc basis;
 - (iii) the demonstrated financial capability of the Qualified Bidder to consummate the proposed transaction and capability of performing the obligations of the tenant under the applicable Lease(s);
 - (iv) the conditions to closing of the proposed transaction (including any required regulatory and landlord approvals and any lease amendments);
 - (v) the terms and provisions of any proposed transaction documentation;
 - (vi) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Broker, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date and in any event, no later than the Outside Date; and
 - (vii) such other criteria as the Applicants may in consultation with the Monitor and the Broker determine.

Approval Motion for Definitive Agreements

23. The Applicants will apply to the Court (the **“Approval Motion”**) for an order, among other things, approving the Successful Bid(s), and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Bid(s), as applicable, and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s), as applicable. The Approval Motion may be adjourned or rescheduled by

the Applicants, in consultation with the Monitor, the Pathlight Agent and the DIP Agent, and without further notice by an announcement of the adjourned date at the Approval Motion. Nothing in this Lease Monetization Process and nothing in any arrangements made during the course thereof between the Monitor and/or the Applicants on the one hand and a Successful Bidder on the other shall in any way prejudice or impair the ability of a Landlord(s) to object to the Court approval of a Successful Bid.

OTHER TERMS

Approvals

24. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid, or Qualified Bid, as applicable.

Amendment

25. If there is any proposed material modification to the Lease Monetization Process by the Applicants, the Applicants will seek Court approval of such material modification on notice to the Service List. Otherwise, the Applicants retain the discretion, with the consent of the Monitor and in consultation with the Broker, the Pathlight Agent and the DIP Agent, to modify the Lease Monetization Process from time to time.

Disclaimers

26. Notwithstanding any other term contained herein and paragraph 11 of the ARIO, on or before July 15, 2025, the Applicant shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or this Lease Monetization Process that has not been terminated in accordance with terms thereof.

DIP Agent Communications

27. The Applicants, the Monitor and the Broker shall make best efforts to communicate and consult with the DIP Agent throughout and with respect to all aspects of the Lease Monetization Process (including, but not limited to, the Teaser Letter, the Form of Purchase Agreement, all bids received, any landlord discussions or engagement related to the Lease Monetization Process, and any proposed material modifications to the Lease Monetization Process). The Applicants, the Monitor and the Broker shall make best efforts to keep the DIP Agent reasonably apprised of all aspects of the Lease Monetization Process (including by providing copies of all LOIs and bids within one day of receipt of same) and provide the DIP Agent with any and all additional information reasonably requested in connection therewith.

Pathlight Communications

28. The Applicants, the Monitor and the Broker shall make best efforts to communicate and consult with the Pathlight Agent throughout and with respect to all aspects of the Lease Monetization Process (including, but not limited to, the Teaser Letter, the Form of Purchase Agreement, all bids received, any landlord discussions or engagement related to the Lease Monetization Process, and any proposed material modifications to the Lease Monetization Process). The Applicants, the Monitor and the Broker shall make best efforts to keep the Pathlight Agent reasonably apprised of all aspects of the Lease Monetization Process (including by providing

copies of all LOIs and bids within one day of receipt of same) and provide the Pathlight Agent with any and all additional information reasonably requested in connection therewith.

Monitor Updates

29. The Monitor will provide periodic updates to the Court on notice to the Service List with respect to the conduct and progress of the Lease Monetization Process, including an update to be delivered to the Court at the conclusion of Phase 1.

Reservation of Rights

30. The Applicants, in their reasonable business judgment and in consultation with the Monitor and the Broker, may provide Interested Bidders with any diligence materials and information, including site visits, that the Applicants deem necessary and appropriate to maximize the value of Lease Monetization Process at any time after entry of the Lease Monetization Order.
31. Notwithstanding anything else contained herein, at any time after entry of the Lease Monetization Order, the Applicants, in their reasonable business judgment and in consultation with the Broker, the Monitor, the Pathlight Agent and the DIP Agent may, from time to time, withdraw any Lease(s) from this Lease Monetization Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease(s).
32. The Applicants, after consultation with the Broker, the Monitor, the DIP Agent and the Pathlight Agent, may reject any or all bids. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law, in the DIP Term Sheet or any other Order of the Court in order to implement a Successful Bid or Qualified Bid, as applicable.
33. To the extent any notice of changes to these procedures or related dates, time, or locations is required or otherwise appropriate, the Monitor may publish such notices on the Monitor's public web site at <http://www.alvarezandmarsal.com/HudsonsBay> and the Applicants shall forthwith serve such notices on the Service List, and such notice shall be deemed satisfactory, subject to any other notice requirements specifically set forth herein or as required by the Court.
34. This Lease Monetization Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants, the Broker or the Monitor and any Qualified Bidder, other than, with respect to the Applicants, as specifically set forth in a definitive agreement that may be executed by an Applicant. At any time during the Lease Monetization Process, the Applicants or the Monitor may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.
35. Nothing in the Lease Monetization Process or the Lease Monetization Order acknowledges or declares that the interests in the Leases being marketed within this Lease Monetization Process are capable of being transferred by the Applicants or the Non-Applicant Stay Parties. For clarity, all parties' ability to challenge the Applicants' and Non-Applicant Stay Parties' ability to transfer any Leases are expressly preserved and not derogated from.

Landlord Communications

36. The Applicants, the Monitor and the Broker will communicate with the landlord party to the Leases from time to time, as appropriate, in connection with their respective interests in the Lease Monetization Process.

SCHEDULE A

Applicants

HBC Canada Parent Holdings Inc.

HBC Canada Parent Holdings 2 Inc.

The Bay Holdings ULC

HBC Bay Holdings I Inc.

HBC Bay Holdings II ULC

HBC Centerpoint GP Inc.

HBC YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

2472598 Ontario Inc.

SCHEDULE B

Non-Applicant Stay Parties

RioCan-HBC General Partner Inc.

HBC Holdings LP

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

HBC Centerpoint LP

The Bay Limited Partnership

SCHEDULE C**Hudson's Bay**

Center	City	Prov.	GLA	Landlord
The Bay Centre	Victoria	BC	229,275	Manulife - Jones Lang LaSalle
Polo Park Shopping Centre	Winnipeg	MB	212,086	Cadillac Fairview
Midtown Plaza	Saskatoon	SK	174,306	Cushman & Wakefield
Market Mall	Calgary	AB	200,000	Cadillac Fairview
Cambridge Centre	Cambridge	ON	131,453	Morguard
Fairview Park	Kitchener	ON	184,714	Westcliff
Sherway Gardens	Toronto	ON	223,477	Cadillac Fairview
Champlain Mall	Brossard	QC	143,786	Cominar
Woodbine Centre	Toronto	ON	139,953	Woodbine Mall Holdings Inc.
Fairview Pointe Claire	Pointe Claire	QC	179,578	Cadillac Fairview
St. Laurent Shopping Centre	Ottawa	ON	145,074	Morguard
Markville Shopping Centre	Markham	ON	140,094	Cadillac Fairview
Erin Mills Town Centre	Mississauga	ON	140,526	Cushman & Wakefield
Aberdeen Mall	Kamloops	BC	123,289	Cushman & Wakefield
Willowbrook Shopping Centre	Langley	BC	131,146	Quadreal Property Group
Kingsway Garden Mall	Edmonton	AB	153,264	Oxford
Fairview Mall	Toronto	ON	152,420	Cadillac Fairview
Carrefour De L'Estrie	Sherbrooke	QC	116,265	Group Mach Inc
Sunridge Mall	Calgary	AB	161,330	Primaris
Centerpoint Mall	Toronto	ON	122,502	Morguard
Parkwood Mall	Prince George	BC	111,500	BentalGreen Oak

Center	City	Prov.	GLA	Landlord
Pickering Town Centre	Pickering	ON	121,730	PTC Ownership LP c/o Salthill Property Management Inc.
Mapleview Centre	Burlington	ON	129,066	Ivanhoe Cambridge
Upper Canada Mall	Newmarket	ON	142,780	Oxford
Coquitlam Centre	Coquitlam	BC	120,086	Morguard
Whiteoaks Mall	London	ON	165,759	Westdell Development
St. Vital Shopping Centre	Winnipeg	MB	122,002	BentallGreen Oak
Limeridge Mall	Hamilton	ON	125,307	Cadillac Fairview
Hillcrest Mall	Richmond Hill	ON	136,915	Oxford
Masonville	London	ON	84,928	Cadillac Fairview
Les Promenades Gatineau	Gatineau	QC	140,364	Westcliff
Les Galeries De La Capitale	Quebec City	QC	163,034	Primaris
Mayflower Mall	Sydney	NS	82,944	Mccor
Richmond Centre	Richmond	BC	169,692	Cadillac Fairview
Oakville Place	Oakville	ON	119,428	Riocan
Londonderry Mall	Edmonton	AB	60,838	Cushman & Wakefield
Medicine Hat Mall	Medicine Hat	AB	93,217	Primaris
St. Albert Centre	St. Albert	AB	93,313	Primaris
Orchard Park Shopping Centre	Kelowna	BC	127,290	Primaris
Village Green Mall	Vernon	BC	83,036	BentallGreen Oak
Mic Mac Mall	Dartmouth	NS	151,303	Cushman & Wakefield
Bramalea City Centre	Brampton	ON	131,438	Morguard
Cataraqui Town Centre	Kingston	ON	113,054	Primaris
Conestoga Mall	Waterloo	ON	130,580	Primaris

Center	City	Prov.	GLA	Landlord
Centre Commercial Rockland	Montreal	QC	147,594	Cominar
Place Rosemere Shopping Centre	Rosemere	QC	132,483	Morguard
Woodgrove Centre	Nanaimo	BC	146,452	Central Walk Woodgrove
Mayfair Shopping Centre	Victoria	BC	166,073	Central Walk Mayfair
Oshawa Centre	Oshawa	ON	122,624	Primaris
Carrefour Angrignon	LaSalle	QC	128,888	Westcliff
Yorkdale Shopping Centre	Toronto	ON	303,438	Oxford
Guildford Shopping Centre	Surrey	BC	174,462	Ivanhoe Cambridge
Centre Laval	Laval	QC	134,377	Cominar
Southgate Shopping Centre	Edmonton	AB	236,551	Primaris
Sevenoaks Shopping Centre	Abbotsford	BC	128,739	Morguard
Cherry Lane Shopping Centre	Penticton	BC	94,643	Manulife- Jones Lang LaSalle
Chinook Centre	Calgary	AB	206,514	Cadillac Fairview
Bower Place	Red Deer	AB	110,672	Quadreal Property Group
West Edmonton Mall	Edmonton	AB	164,250	Triple Five
Southcentre Mall	Calgary	AB	164,514	Oxford
Lethbridge Centre	Lethbridge	AB	133,243	Melcor
Georgian Mall	Barrie	ON	90,748	Riocan
Place d'Orleans Shopping Centre	Ottawa	ON	115,501	Primaris
Bayshore Shopping Centre	Ottawa	ON	180,696	Cushman & Wakefield
Pen Centre	St. Catharines	ON	150,110	BentallGreen Oak
Downtown	Vancouver	BC	636,828	RioCan-HBC Limited Partnership
Downtown	Calgary	AB	448,834	RioCan-HBC

Center	City	Prov.	GLA	Landlord
				Limited Partnership
Downtown	Montreal	QC	655,396	RioCan-HBC Limited Partnership
Downtown	Ottawa	ON	305,305	RioCan-HBC Limited Partnership
Square One	Mississauga	ON	204,174	Oxford
Devonshire Mall	Windsor	ON	165,584	RioCan-HBC Limited Partnership
Scarborough Town Centre	Toronto	ON	231,759	Oxford
Les Promenades St Bruno	St-Bruno	QC	131,808	Cadillac Fairview
Carrefour Laval	Laval	QC	177,022	Cadillac Fairview
Metrotown Centre	Burnaby	BC	140,545	Ivanhoe Cambridge II Inc. and Ivanhoe Cambridge Inc.
Park Royal Shopping Centre	Vancouver	BC	161,647	Park Royal Shopping Centre Holdings Ltd
Eglinton Square	Toronto	ON	115,205	KS Eglinton Square Inc.
176 Yonge St.	Toronto	ON	675,722	Ontrea Inc.
Les Galeries d'Anjou	Montreal	QC	176,474	Ivanhoe Cambridge Inc. – Anjou

Saks Fifth Avenue

Center	City	Prov.	GLA	Landlord
Sherway Gardens	Toronto	ON	132,256	Cadillac Fairview
Chinook Centre	Calgary	AB	115,586	Ontrea Inc.
Toronto Eaton Centre	Toronto	ON	175,000	Ontrea Inc.

Saks Fifth Avenue Off Fifth

Center	City	Prov.	GLA	Landlord
Tanger Outlets	Ottawa	ON	28,357	Riocan Holdings (TJV) Inc. and 1633272 Alberta ULC
Outlet Collection at Niagara	Niagara	ON	32,387	The Outlet Collection (Niagara) Limited
Vaughan Mills	Vaughan	ON	34,992	Ivanhoe Cambridge II Inc. and TRE2 Non-US Bigfoot Corp.
Toronto Premium Outlets	Halton Hills	ON	24,887	Halton Hills Shopping Centre Partnership
Crossiron Mills	Rocky View	AB	30,009	Crossiron Mills Holdings Inc.
Queensway	Toronto	ON	27,042	Horner Developments Ltd. and Mantella & Sons Investments Ltd.
Downtown Ottawa	Ottawa	ON	34,887	RioCan-HBC Limited Partnership
Tsawwassen Mills	Tsawwassen	BC	32,733	Central Walk Tsawwassen Mills Inc.
Outlet Collection Winnipeg	Winnipeg	MB	32,204	The Outlet Collection at Winnipeg Limited and Seasons Retail Corp
Place Ste-Foy	Quebec	QC	33,254	Ivanhoe Ste-Foy Inc.
Pickering Town Centre	Pickering	ON	30,033	PTC Ownership LP
Skyview Power Centre	Edmonton	AB	30,026	Skyview Equities Inc. and SP Green Properties LP
Park Royal Shopping Centre	Vancouver	BC	33,300	Park Royal Shopping Centre Holdings Inc.

Distribution Centres

Center	City	Prov.	GLA	Landlord
Scarborough Logistics Center	Toronto	ON	738,102	100 Metropolitan Portfolio Inc
Vancouver Logistics Center	Richmond	BC	416,900	PIRET (18111 Blundell Road) Holdings Inc.
Eastern Big Ticket Center	Toronto	ON	501,000	ONTARI Holdings Ltd.
Toronto Logistics Center	Toronto	ON	221,244	BCIMC Realty Corporation

SCHEDULE D

To the Company:

Hudson Bay Company ULC
401 Bay Street
Toronto, ON M5H 2Y4

Attn: Jennifer Bewley
Email: jennifer.bewley@hbc.com

With a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attn: Ashley Taylor / Maria Konyukhova
Email: ataylor@stikeman.com / mkonyukhova@stikeman.com

To the Monitor :

Alvarez & Marsal Canada Inc. Court appointed Monitor of Hudson's Bay Company
ULC et al.
Royal Bank Plaza, South Tower 200 Bay Street, Suite 29000
P.O. Box 22
Toronto, ON M5J 2J1

Attn: Alan Hutchens / Greg Karpel
Email: ahutchens@alvarezandmarsal.com / gkarpel@alvarezandmarsal.com

With a Copy to:

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

Attn: Michael Shakra / Sean Zweig
Email: ShakraM@bennettjones.com / ZweigS@bennettjones.com

To the Broker:

Jones Lang LaSalle Real Estate Services, Inc
510 West Georgia Street, Suite 2150
Vancouver, BC V6B 0M3

Attn: Connor O'Keeffe
Email: Connor.Okeeffe@jll.com

To the DIP Agent

Restore Capital LLC
4705 Benton Smith Road
Nashville, TN 37215

Attn: Adam Zalev
Email: azalev@reflectadvisors.com

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

Proceeding commenced at Toronto

**ORDER
(Lease Monetization Order)**

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Lawyers for the Applicants

Exhibit B-3

Form of Approval Order (SISP)

[see attached]

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

THE HONOURABLE MR.)	MONDAY, THE 17TH DAY
)	
JUSTICE OSBORNE)	OF MARCH, 2025

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC
BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC
CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.**

**ORDER
(SISP Approval Order)**

THIS MOTION, made by Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI, HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order approving the procedures for the Sale and Investment Solicitation Process in respect of the Applicants attached hereto as Schedule "A" (the "**SISP**") was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the affidavits of Jennifer Bewley sworn March 7, 2025 and March 14, 2025, and the Exhibits thereto, the pre-filing report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as proposed monitor of the Applicants dated March 7, 2025 (the "**Pre-Filing Report**"), the first report of A&M, in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), dated March 16, 2025, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of Brittney Ketwaroo sworn March 17, 2025.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SISP or the Amended and Restated Initial Order, dated March 17, 2025 (the “**ARIO**”), as applicable.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this Order) be and is hereby approved and the Applicants and the Monitor are hereby authorized and directed to implement the SISP pursuant to its terms and the terms of this Order. The Applicants and the Monitor are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order.
4. **THIS COURT ORDERS** that each of the Applicants, Reflect Advisors, LLC, (“**Reflect**”), the Monitor and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicants, Reflect, or the Monitor, as applicable, in performing their obligations under the SISP, as determined by this Court.
5. **THIS COURT ORDERS** that, pursuant to section 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS), the Applicants, Reflect and the Monitor are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

6. **THIS COURT ORDERS** that notwithstanding anything contained in this Order or in the SISP, neither Reflect nor the Monitor shall take Possession of the Property or be deemed to take Possession of the Property, including pursuant to any provision of the Environmental Legislation.

7. **THIS COURT ORDERS** that notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit or participate in a Sale Proposal or Investment Proposal must declare such intention to the Financial Advisor and the Monitor in writing by April 7, 2025. If the Applicant or any Related Person makes such declaration, the Financial Advisor and the Monitor shall design and implement additional procedures for the SISP in respect of the sharing of information with the Applicants so as to ensure and preserve the fairness of the SISP and shall advise the parties on the service list for these proceedings of these additional procedures.

PROTECTION OF PERSONAL INFORMATION

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 (Canada) and any similar legislation in any other applicable jurisdictions, the Applicants, Reflect and the Monitor and each of their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants (each, a **"Potential Bidder"**) and their advisors personal information of identifiable individuals (**"Personal Information"**), records pertaining to the Applicants' past and current employees, and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the SISP (each a **"Transaction"**). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicants or the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Applicants, Reflect or the Monitor. Any successful bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction contemplated in the applicable Successful Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal

information to the Applicants, Reflect or the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor, Reflect or the Applicants.

GENERAL

9. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the SISP.

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

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

12. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order.

Sale and Investor Solicitation Process

Introduction

On March 7, 2025, Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**Hudson's Bay**"), HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") obtained an initial order, as may be amended from time to time (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**").

Pursuant to an Order dated March 17, 2025 (the "**SISP Approval Order**"), the Court approved this sale and investor solicitation process ("**SISP**"). The purpose of this SISP is to seek Sale Proposals and Investment Proposals from Qualified Bidders and to implement one or a combination of them in respect of the Property and the Business.

This SISP describes, among other things: (a) the Property available for sale and the opportunity for an investment in the Business of the Applicants; (b) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business; (c) the manner in which bidders and bids become Final Qualified Bidders and Final Qualified Bids, respectively; (d) the process for the evaluation of bids received; (e) the process for the ultimate selection of a Successful Bidder; and (f) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid.

Defined Terms

1. The following capitalized terms have the following meanings when used in this SISP:
 - (a) "**ABL Lender**" has the definition ascribed to it in the Affidavit of Jennifer Bewley sworn March 7, 2025.
 - (b) "**Applicants**" is defined in the introduction hereto.
 - (c) "**Approval Motion**" is defined in paragraph 27.
 - (d) "**Auctions**" is defined in paragraph 20(a).
 - (e) "**Baseline Bid**" is defined in paragraph 20.
 - (f) "**Bidding Phase**" is defined in paragraph 13.
 - (g) "**Bidding Phase Bid Deadline**" is defined in paragraph 14.
 - (h) "**Business**" means the business of the Applicants and the Non-Applicant Stay Parties.
 - (i) "**Business Day**" means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
 - (j) "**CCAA**" is defined in the introduction hereto.

- (k) **"Claims and Interests"** is defined in paragraph 10.
- (l) **"Confidential Information Memorandum"** is defined in paragraph 4.
- (m) **"Court"** is defined in the introduction hereto.
- (n) **"Data Room"** is defined in paragraph 13.
- (o) **"Deposit"** is defined in paragraph 15(m).
- (p) **"DIP Agent"** means Restore Capital, LLC, including its consultants, advisors and representatives.
- (q) **"DIP Lenders"** means HCS 102, LLC, Tiger Assets Solutions Canada, ULC, 1903 Partners, LLC, and GA Group Solutions, LLC.
- (r) **"DIP Term Sheet"** means the Amended and Restated DIP Term Sheet dated March 17, 2025.
- (s) **"Final Qualified Bid"** is defined in paragraph 14.
- (t) **"Final Qualified Bidder"** is defined in paragraph 23.
- (u) **"Financial Advisor"** means Reflect Advisors, LLC.
- (v) **"Form of Investment Agreement"** means the form of equity investment agreement to be developed by the Applicants in consultation with the Monitor and the Financial Advisor and provided to those Qualified Bidders that executed an NDA for an Investment Proposal.
- (w) **"Form of Purchase Agreement"** means the form of purchase and sale agreement to be developed by the Applicants in consultation with the Monitor and the Financial Advisor and provided to those Qualified Bidders that executed an NDA for a Sale Proposal.
- (x) **"Initial Order"** is defined in the introduction hereto.
- (y) **"Investment Proposal"** means a proposal to invest in or refinance all or a portion of the Business of the Applicants.
- (z) **"Known Potential Bidders"** is defined in paragraph 6.
- (aa) **"Lease Monetization Order"** means the Court Ordered dated March 17, 2025 approving of a sale process with respect to the Leases.
- (bb) **"Leases"** means the Applicants' and the Non-Applicant Stay Parties' leasehold interests and all related rights and obligations in connection therewith
- (cc) **"Liquidation Process Approval Order"** means the Order of the Court dated March 17, 2025 with respect to the proposed liquidation of inventory.
- (dd) **"Monitor"** means Alvarez & Marsal Canada Inc., solely in its capacity as the Court-appointed monitor of the Applicants in their proceedings under the CCAA.

- (ee) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to the Monitor, the Financial Advisor and the Applicants, which will inure to the benefit of any purchaser of the Property or any investor in the Business or the Applicants.
- (ff) **“Non-Applicant Stay Parties”** has the definition ascribed to it in the Affidavit of Jennifer Bewley sworn March 7, 2025
- (gg) **“Outside Date”** means July 15, 2025, or such later date as may be agreed to by the Applicants, the Financial Advisor, and the Monitor with the consent of the DIP Agent.
- (hh) **“Pathlight Agent”** means Pathlight Capital LP, by its general partner, Pathlight GP LLC, as agent to certain lenders under the Pathlight Credit Facility (as defined in the Affidavit of Jennifer Bewley sworn March 7, 2025).
- (ii) **“Potential Bidder”** is defined in paragraph 11.
- (jj) **“Property”** means all of property, assets and undertakings of the Applicants and the Non-Applicant Stay Parties.
- (kk) **“Qualified Bidder”** is defined in paragraph 12.
- (ll) **“Related Person”** has the same meaning as in the *Bankruptcy and Insolvency Act* (Canada).
- (mm) **“Sale Proposal”** means a proposal to acquire all or a portion of the Property relating to the Applicants’ Business on a liquidation or going concern basis.
- (nn) **“Senior Indebtedness”** means the ABL Obligations, the Term Loan Obligations and the DIP Financing Obligations as such terms are defined in the DIP Term Sheet.
- (oo) **“SISP Approval Order”** is defined in the introduction hereto.
- (pp) **“Solicitation Process”** means the process for soliciting and selecting bids for the sale of or investment in the Business and Property.
- (qq) **“Successful Bid”** is defined in paragraph 21.
- (rr) **“Successful Bidder”** is defined in paragraph 24(g).
- (ss) **“Teaser Letter”** is defined in paragraph 6.

Supervision of the SISP

2. The SISP Approval Order and the SISP shall exclusively govern the process for Solicitation Process. For the avoidance of doubt, the Lease Monetization Order shall govern the process for soliciting and selecting bids for the Leases and nothing in this SISP shall alter, restrict or otherwise modify the terms of the Lease Monetization Order.
3. The Monitor will supervise, in all respects, the SISP and any attendant sales or investments. The Monitor, in consultation with the Applicants, the Financial Advisor, the Pathlight Agent and the DIP Agent, shall have the right to adopt such other rules for the

SISP that in its reasonable business judgement will better promote of the goals of the SISF. In the event that there is disagreement or clarification required as to the interpretation or application of this SISF or the responsibilities of the Monitor, the Financial Advisor or the Applicants hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application by the Monitor or the Applicants. For the avoidance of doubt, with respect to the Monitor's role in regards to the SISF, the terms of the Initial Order concerning the Monitor's rights, duties and protections in the Applicants' CCAA proceedings shall govern.

Sale and Investment Opportunity

4. One or more bids for a sale of, or an investment in, all or a portion of the Business or the Property relating to the Applicants' Business will be considered, either alone or in combination as a Final Qualified Bid or a Successful Bid.
5. A bid may, at the option of the Qualified Bidder, involve, among other things, one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern; a sale of the Property or any part thereof as contemplated herein to the Qualified Bidder or to a newly formed acquisition entity; or a plan of compromise or arrangement pursuant to the CCAA or any corporate or other applicable legislation.

Solicitation of Interest and Publication Notice

6. The Financial Advisor, in consultation with the Applicants, the Monitor, the DIP Agent and Pathlight Agent and their respective advisors, has prepared a list of persons who may have an interest in bidding for the sale of or investment in the Business (the "**Known Potential Bidders**"). Concurrently, the Financial Advisor, in consultation with the Applicants, the Monitor and their respective advisors, has prepared an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the existence of the SISF and inviting the Known Potential Bidders to express their interest in accordance with the terms of the SISF.
7. Within one business day of the granting of the SISF Approval Order, the Financial Advisor shall distribute to the Known Potential Bidders the Teaser Letter, as well as a copy of the SISF Approval Order and a draft form of NDA.
8. As soon as reasonably practicable after the granting of the SISF Approval Order, but in any event no more than three (3) Business Days after the issuance of the SISF Approval Order, the Applicants will issue a press release setting out the notice and such other information, in form and substance satisfactory to the Monitor in consultation with the Financial Advisor, designating dissemination in Canada and major financial centres in the United States.

"As Is, Where Is"

9. The sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Applicants, the Financial Advisor or any of their respective agents, except to the extent set forth in the definitive sale or investment agreement executed with a Successful Bidder.

Free Of Any and All Claims and Interests

10. In the event of a sale of all or a portion of the Property, subject to approval by the Court, all of the rights, title and interests of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the “**Claims and Interests**”) pursuant to such Court orders as may be desirable, except to the extent otherwise set forth in the definitive sale or investment agreement executed with a Successful Bidder.

Participation Requirements

11. In order to participate in the SISP, each person (a “**Potential Bidder**”) must deliver to the Financial Advisor, with a copy to the Monitor, at the addresses specified in Schedule “A” hereto (including by email):
 - (a) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the principals of the Potential Bidder; and
 - (b) an executed NDA, which shall include provisions whereby the Potential Bidder agrees to accept and be bound by the provisions contained herein.
12. A Potential Bidder that has executed an NDA, and has delivered the documents and information described above, and that the Applicants, in their reasonable business judgement, in consultation with the Financial Advisor and the Monitor, determine is likely, based on the availability of financing, experience and other considerations, to be able to consummate a Sale Proposal or an Investment Proposal on or before the Outside Date will be deemed a “**Qualified Bidder**”, and will be promptly notified of such determination by the Financial Advisor.

SISP – BIDDING PHASE

Due Diligence

13. During this process (the “**Bidding Phase**”), each Qualified Bidder will be provided with: (i) a copy of a confidential information memorandum (the “**Confidential Information Memorandum**”) describing the opportunity to acquire all or a portion of the Property or invest in all or a portion of the Business; and (ii) access to an electronic data room of due diligence information for Qualified Bidders (the “**Data Room**”). The Data Room will contain such due diligence materials and information relating to the Property and the Business as the Financial Advisor, in its reasonable business judgment, in consultation with the Monitor and the Applicants, determines necessary, including, as appropriate, information or materials reasonably requested by Qualified Bidders, on-site presentation by senior management of the Applicants, and facility tours. The Monitor, the Financial Advisor and the Applicants make no representation or warranty as to the information (i) contained in the Confidential Information Memorandum or the Data Room; (ii) provided through the due diligence process; or (iii) otherwise made available in connection with this SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder executed and delivered by the Applicants. Selected due diligence materials may be withheld from certain Qualified Bidders if the Applicants and the Financial Advisor, in consultation and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

14. A Qualified Bidder that wishes to pursue a Sale Proposal or an Investment Proposal must deliver a final binding proposal subject to the following requirements:

- (a) in the case of a Sale Proposal, a duly authorized and executed purchase agreement based on the Form of Purchase Agreement and accompanied by a mark-up of the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto;
- (b) in the case of an Investment Proposal, a duly authorized and executed investment agreement based on the Form of Investment Agreement and accompanied by a mark-up of the Form of Investment Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto;

to the Financial Advisor, the Applicants and to the Monitor at the addresses specified in Schedule "A" hereto (including by email) so as to be received by it no later than 5:00 pm (Eastern Standard Time) on April 30, 2025, or such other date as determined by the Applicants, in consultation with the Financial Advisor and with the consent of the Monitor (the "**Bidding Phase Bid Deadline**").

15. A bid will be considered a "**Final Qualified Bid**" only if the bid complies with, among other things, the following requirements:

- (a) it includes a letter stating that the bidder's offer is submitted in good faith and is irrevocable until the earlier of (i) the approval by the Court of a Successful Bid and (ii) 60 days following the Bidding Phase Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of the transaction with such Successful Bidder;
- (b) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Monitor and the Applicants, in consultation with the Financial Advisor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by its bid;
- (c) in respect of a Sale Proposal, the Property to be included, and in the case of an Investment Proposal, any Property to be divested or disclaimed prior to closing;
- (d) it includes a redline to the Form of Sale Agreement or Form of Investment Agreement, as applicable;
- (e) it includes full details of the proposed number of employees of the Applicants who will become employees of the bidder (in the case of a Sale Proposal) or shall remain as employees of the Applicants (in the case of an Investment Proposal) and, in each case, provisions setting out the terms and conditions of employment for continuing employees;
- (f) details of any liabilities to be assumed by the Qualified Bidder;
- (g) it is not conditional upon, among other things:

- (i) the outcome of unperformed due diligence by the Qualified Bidder; or
 - (ii) obtaining financing;
- (h) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation, and discloses any connections or agreements with the Applicants or any of their affiliates;
- (i) it outlines any anticipated regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (j) it identifies with particularity the contracts and leases the bidder wishes to assume or exclude, contains full details of the bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (k) it provides a timeline to closing with critical milestones;
- (l) it includes evidence, in form and substance reasonably satisfactory to the Monitor and the Applicant, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (m) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to not less than 10% of the purchase price, to be held and dealt with in accordance with the terms of this SISP;
- (n) it contains other information reasonably requested by the Financial Advisor, the Monitor or the Applicants;
- (o) it is received by the Bidding Phase Bid Deadline;
- (p) it does not include any request for or entitlement to any break fee, expense reimbursement, or similar type of payment;
- (q) if the Bid is either for an Investment Proposal or a Sale Proposal that contemplates the direct or indirect purchase of assets which are subject to the Liquidation Process Approval Order or the Lease Monetization Process Approval Order, it provides for repayment in full in cash on closing of the amounts reasonably anticipated by:
 - (i) the Applicants, in consultation with the Monitor and the Financial Advisor,
 - (ii) the Pathlight Agent,
 - (iii) the ABL Lender, and
 - (iv) the DIP Agent

to be outstanding under the Senior Indebtedness following completion of the Lease Monetization Process and the Liquidation Process or the bid is otherwise acceptable to the parties in 15(q)(i), (ii), (iii) and (iv);

- (r) it includes a statement that the bidder will bear its own costs and expenses in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - (s) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the Applicants or the completeness of any information provided in connection therewith and/or the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement or the Investment Agreement.
16. Notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit or participate in a Sale Proposal or Investment Proposal must declare such intention to the Financial Advisor and the Monitor in writing by April 7, 2025. If the Applicant or any Related Person makes such declaration, the Financial Advisor and the Monitor shall design and implement additional procedures for the SISP in respect of the sharing of information with the Applicants so as to ensure and preserve the fairness of the SISP and shall advise the parties on the service list for these proceedings of these additional procedures.
17. The DIP Lenders and any other secured lender of the Applicants shall not have the right to credit bid their secured debt against the assets secured thereby; provided, however, if the SISP does not result in the consummation of a Successful Bid for the Applicants' intellectual property, the DIP Agent on behalf of itself and the DIP Lenders and the "FILO Secured Parties" under the Pre-Filing ABL Credit Agreement (as defined in the DIP Term Sheet) reserve the right to bid on the intellectual property (including by way of credit bid, in whole or in part) following the completion or termination of the SISP.

Evaluation of Final Qualified Bids

18. The Applicants, in consultation with the Financial Advisor, the Monitor, the DIP Agent, and the Pathlight Agent, will review each bid as set forth herein and determine if one or more of them constitute a Final Qualified Bid. For the purpose of such consultations and evaluations, the Applicants, the Financial Advisor and/or the Monitor may request clarification of the terms of any bid.
19. Evaluation criteria with respect to a Sale Proposal may include, but are not limited to items such as: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing the transaction; (c) the claims likely to be created by such bid in relation to other bids; (d) the counterparties to the transaction; (e) the terms of the proposed transaction documents; (f) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the bid; (i) proposed

treatment of the employees; (j) any transition services required from the Applicants post-closing and any related restructuring costs; (k) the likelihood and timing of consummating the transaction; and (l) the allocation of value among the assets being acquired.

20. Evaluation criteria with respect to an Investment Proposal may include, but are not limited to items such as: (a) the amount of equity and debt investment and the proposed sources and uses of such capital; (b) the firm, irrevocable commitment for financing the transaction; (c) the debt to equity structure post-closing; (d) the counterparties to the transaction; (e) the terms of the proposed transaction documents; (f) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; and (h) the likelihood and timing of consummating the transaction.
21. If one or more Final Qualified Bids is received:
 - (a) the Applicants, in consultation with the Financial Advisor, the Monitor and the DIP Agent, shall determine if one or more auctions (the “**Auctions**”) are required. If required, the Auctions will be held on or about May 16, 2025, in accordance with the terms outlined below; or
 - (b) the Applicants, exercising their reasonable business judgment and following consultation with the Financial Advisor, the Monitor, the DIP Agent, and the Pathlight Agent may select the most favourable Final Qualified Bid(s) and negotiate and settle the terms of a definitive agreement or agreements for which approval from the Court will be sought (the “**Successful Bid**”).
22. The Applicants shall have no obligation to enter into a Successful Bid, and reserve the right, after consultation with the Monitor, the Financial Advisor, the DIP Agent, and Pathlight Agent to reject any or all Final Qualified Bids.
23. If no Final Qualified Bid is received, the SISP shall be automatically terminated.

Auction Process

24. If the Applicants, in consultation with the Financial Advisor and the Monitor, determine that one or more Auctions are required, the Applicants, in consultation with the Financial Advisor and the Monitor, shall conduct Auctions on the following terms:
 - (a) only Qualified Bidders who submitted Final Qualified Bid (“**Final Qualified Bidders**”) and their financial and legal advisors shall be entitled to participate in an Auction;
 - (b) the Final Qualified Bidders who wish to participate at an Auction must appear in person;
 - (c) official actions at any Auction shall be made on the record in the presence of a court reporter;
 - (d) the Applicants and their advisors shall, at the outset of any Auction, announce:
 - (i) the Final Qualified Bid(s) selected by the Applicants, in their reasonable business judgment and on the consent of the Monitor in consultation with

the financial Advisor, that are the most favourable Final Qualified Bid(s) as of the date thereof (the “**Baseline Bid**”); and

- (ii) procedures for the conduct of the Auction, including, among other things, any overbid amounts;
 - (e) to make a bid at the Auction, a Final Qualified Bidder will modify and resubmit its Final Qualified Bid, which resubmission shall become its new Final Qualified Bid;
 - (f) subsequent bids after the Baseline Bid must be higher and better (as determined by the Applicants, in their reasonable business judgment and in consultation with the Monitor and the Financial Advisor) by at least the amount of any applicable overbids;
 - (g) the Auction shall continue until there are no further higher and better Final Qualified Bids (as determined by the Applicants, in their reasonable business judgment and in consultation with the Monitor and the Financial Advisor) that comply with the procedures set forth for the Auction, and such highest and best Final Qualified Bid at the time shall become the Successful Bid (and the person(s) who made the Successful Bid shall become the “**Successful Bidder**”).
25. The Applicants, with the consent of the Monitor, and in consultation with the Financial Advisor, may modify Auction procedures at any time.
26. Notwithstanding the foregoing or anything else contained herein, the Applicants reserve the right, taking into account all other factors set forth herein (including execution risk), to choose one or more Qualified Bids as Successful Bidders that did not offer the highest purchase price for the Property or the Business.

Approval Motion for Successful Bid

27. The Applicant will apply to the Court (the “**Approval Motion**”) for an order approving the Successful Bid(s) and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.
28. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Applicants on or before May 30, 2025.
29. All Final Qualified Bids (other than the Successful Bid) will be deemed rejected on the date of approval of the Successful Bid(s) by the Court.

OTHER TERMS

Deposits

30. All Deposits will be retained by the Monitor in a trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Bidders not selected as the Successful Bidder will be returned to such bidders within thirty (30) Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid subject to the following paragraph,

all Deposits will be returned to the bidders within ten (10) Business Days of the date upon which the SISP is terminated in accordance with these procedures.

31. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit plus any interest earned thereon shall be forfeited as liquidated damages and not as a penalty.

Approvals

32. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law, the DIP Term Sheet or any other Order of the Court in order to implement a Successful Bid.

Amendment

33. If there is any proposed material modification to the SISP by the Applicants, the Applicants will seek Court approval of such material modification on notice to the Service List. Otherwise, the Applicants retain the discretion, with the consent of the Monitor and in consultation with the Financial Advisor, the Pathlight Agent and the DIP Agent, to modify the SISP from time to time.
34. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants and any Qualified Bidder, other than as specifically set forth in a definitive agreement that may be signed with the Applicants. At any time during the SISP, the Monitor may, following consultation with the Financial Advisor, and the Applicant, upon reasonable prior notice to the DIP Agent, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

Compliance with DIP Term Sheet and Liquidation Process Approval Order

35. In carrying out the terms of this SISP, the Applicants, the Monitor and the Financial Advisor will comply with the terms of the Liquidation Process Approval Order, the DIP Term Sheet and any other Order of the Court.

DIP Agent Communications

36. The Applicants, the Monitor and the Financial Advisor will communicate and consult with the DIP Agent throughout the Solicitation Process and will provide information to the DIP Agent in connection with such communications, including copies of all bids within one day of receipt of same. The Applicants, the Monitor and the Financial Advisor shall provide the DIP Agent with any and all information reasonably requested with respect to the SISP.

Pathlight Communications

37. The Applicants, the Monitor and the Financial Advisor will communicate and consult with the Pathlight Agent throughout the Solicitation Process and will provide information to the Pathlight Agent in connection with such communications, including copies of all bids within one day of receipt of same. The Applicants, the Monitor and the Financial Advisor shall provide the Pathlight Agent with any and all information reasonably requested with respect to the SISP.

Reservation of Rights

38. Nothing in this SISP or the SISP Approval Order acknowledges or declares that the interests in the property being marketed within this SISP are capable of being sold by the Applicants or the Non-Applicant Stay Parties. For clarity, all parties' ability to challenge the Applicants' and the Non-Applicant Stay Parties' ability to sell any property are expressly preserved and not derogated from.

Schedule “A”

Address for Notices and Deliveries

To the Monitor

Alvarez & Marsal Canada Inc. Court appointed Monitor of Hudson’s Bay Company ULC
et al.

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

Attn: Alan Hutchens / Greg Karpel

Email: ahutchens@alvarezandmarsal.com / gkarpel@alvarezandmarsal.com

With a copy to

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

Attn: Michael Shakra / Sean Zweig

Email: ShakraM@bennettjones.com / ZweigS@bennettjones.com

To the Financial Advisor

Restore Capital LLC
4705 Benton Smith Road
Nashville, TN 37215

Attn: Adam Zalev

E-mail: azalev@reflectadvisors.com

To the Applicants

Hudson Bay Company ULC
401 Bay Street
Toronto, ON M5H 2Y4

Attn: Jennifer Bewley

Email: jennifer.bewley@hbc.com

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

(SISP Approval Order)

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Email: ataylor@stikeman.com
Tel: +1 416-869-5236

Elizabeth Pillon LSO#: 35638M

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Maria Konyukhova LSO#: 52880V

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Tel: +1 416-869-5230

Philip Yang LSO#: 82084O

Email: PYang@stikeman.com
Tel: +1 416-869-5593

Brittney Ketwaroo LSO#: 89781K

Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Applicants

This is Exhibit “2” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive, flowing style.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

From: [Rogers, Linc](#)
To: [Wasserman, Marc](#); [Thide, Rick](#); [Silverstein, Max](#); [Silva, Mark D.](#); [McIntyre, Caitlin](#); [Rosenblat, Dave](#)
Cc: [Galardi, Gregg](#)
Subject: HBC/Pathlight
Date: Monday, July 14, 2025 11:05:46 PM

Marc,

Thanks for taking the time to connect today on the intercreditor agreement between our clients. Before you proceed in court tomorrow, we wanted to make a few things clear.

1. The consent that Pathlight entered into on March 17, 2025 (the “**Consent**”) included an agreement about how long ABL Priority Collateral could be used to finance the lease sale. This agreement was specifically negotiated by Pathlight and ReStore. As you can see in Section 3(a) of the Consent, Pathlight negotiated for the right to make sure that the DIP Budgets included the payment of rent with ABL Priority Collateral until the week ending July 5, 2025. Clearly Pathlight had no rights after July 5, 2025 to require rent to be paid with ABL Priority Collateral and Pathlight was aware that ReStore could object to the use of ABL Priority Collateral being applied to rent after July 5, 2025—this is exactly what is happening now. Furthermore, in the Consent, ReStore and Pathlight envisioned a situation where Pathlight would need to make a protective advance to cover rent post July 5, 2025 and ReStore pre-consented to that funding in Section 2(e) of the Consent. Frankly, our clients are baffled that Pathlight is attempting to allege a violation of the Intercreditor Agreement when the clear language of the Consent and Intercreditor Agreement are expressly contrary to their position.
2. We also note that Pathlight cannot contest (or support any person in contesting) any objection by ReStore based on a claim by ReStore that its interest in the ABL Priority Collateral are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding). See Section 6.3(a). We have not reviewed your filing yet, but we wanted to make sure that you are aware of this provision ahead of tomorrow’s hearing.
3. To reiterate, ReStore does not oppose the Central Walk sale in violation of Section 6.3 of the Intercreditor Agreement. ReStore simply objects to the use of its primary collateral continuing to fund the Central Walk sale, which is well within ReStore’s rights under the Consent and Intercreditor Agreement.

To the extent that Pathlight would like to move forward with supporting the Company’s opposition to ReStore’s motion tomorrow, ReStore reserves all rights, including compensation for any damages caused by Pathlight’s breach of the Intercreditor Agreement.

Kind regards,

Linc Rogers (he, him, his)
 Partner
linc.rogers@blakes.com
 T. [+1-416-863-4168](tel:+14168634168)

This is Exhibit “3” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

FILO Loan Position

(\$MM's)

Pro Forma Cumulative Cash FlowsIncorporate Actual Results From Filing Date
to Each of the Monitor's Cash Flow Forecasts

Monitor's CF Version	1st	2nd	3rd	4th	Draft 5th	Upd. 5th	CF Δ Upd. 5th vs. 1st
Date Issued	Mar 14	Mar 21	Apr 22	May 9	Jun 17	Jul 28	
CF Start (w/e Friday)	Mar 14	Mar 14	Mar 14	Mar 14	Mar 14	Mar 14	
CF End (w/e Friday)	Jun 6	Jun 13	Jul 18	Aug 1	Sep 12	Oct 31	
# of Weeks	13	14	19	21	27	34	21
Liquidation Sale End Date	Jun 1	Jun 1	Jun 1	Jun 1	Jun 1	Jun 1	
Receipts	\$ 464.9	\$ 510.0	\$ 590.5	\$ 612.1	\$ 762.7	\$ 770.8	\$ 305.9
Disbursements	(307.1)	(337.7)	(471.2)	(498.5)	(644.0)	(656.8)	(349.6)
Net CF	157.8	172.2	119.3	113.6	118.7	114.0	(43.8)
Opening Cash Balance - March 8	5.3	5.2	5.2	5.2	5.2	5.2	(0.1)
Net CF	157.8	172.2	119.3	113.6	118.7	114.0	(43.8)
Cash Collateralization	(21.2)	(21.0)	-	(24.6)	(24.4)	(24.4)	(3.2)
DIP	23.0	-	-	-	-	-	(23.0)
FILO Paydown	-	-	-	(40.9)	(74.5)	(79.7)	(79.7)
Ending Cash Balance	164.8	156.4	124.6	53.3	25.1	15.1	(149.7)
DIP Loan Balance at CF End	(23.0)	-	-	-	-	-	23.0
FILO Loan Balance at CF End (excl. Accrued Interest)	(137.2)	(137.2)	(137.2)	(96.3)	(62.7)	(57.4)	79.7
FILO Loan Surplus/(Shortfall) at CF End	\$ 4.7	\$ 19.2	\$ (12.6)	\$ (43.0)	\$ (37.6)	\$ (42.3)	\$ (47.0)
Net Realization by Collateral Type							
Inventory and FF&E							
Store Receipts	\$ 464.9	\$ 492.7	\$ 566.7	\$ 588.0	\$ 706.5	\$ 706.4	\$ 241.5
FF&E Receipts	-	17.3	21.3	19.3	15.0	15.0	15.0
Direct Costs:							
Concession/Consignment Payments	(34.5)	(34.3)	(142.1)	(147.1)	(217.0)	(213.0)	(178.5)
Occupancy Costs to June 15	(60.4)	(77.2)	(78.6)	(78.5)	(79.4)	(79.4)	(19.0)
Payroll - Store/DC to June 15	(55.6)	(55.6)	(61.6)	(61.6)	(62.8)	(62.8)	(7.2)
Operating Expenses	(58.2)	(63.5)	(55.7)	(55.1)	(63.1)	(66.1)	(7.9)
Sales Tax Remittances	(32.1)	(32.7)	(36.5)	(41.6)	(52.0)	(52.0)	(19.9)
Liquidation Consultant Fees & Expenses	(21.7)	(26.2)	(30.0)	(30.9)	(35.6)	(35.2)	(13.5)
Store Employees Liquidation Retention	-	-	-	-	(4.1)	(4.1)	(4.1)
	202.5	220.6	183.5	192.6	207.6	208.9	6.4
Intellectual Property	-	-	-	-	30.0	30.0	30.0
FILO Leases	-	-	-	-	-	6.2	6.2
Other Receipts	-	-	2.5	4.7	7.3	8.4	8.4
	202.5	220.6	186.0	197.3	244.9	253.6	51.0
Corporate/Shared Costs							
Professional Fees - Applicants & Monitor	(11.7)	(13.4)	(23.8)	(24.8)	(35.1)	(41.0)	(29.3)
Professional Fees - Senior Lenders and Other	(8.0)	(8.2)	(4.3)	(8.0)	(8.3)	(10.8)	(2.7)
Corporate Payroll & Benefits	(9.7)	(9.9)	(18.5)	(19.1)	(23.2)	(27.6)	(17.9)
KERP & Accrued Vacation	(1.5)	(3.1)	(5.9)	(6.1)	(6.2)	(6.6)	(5.1)
Occupancy Post June 15 (re: Lease Monetization)	-	-	(3.9)	(3.9)	(11.7)	(16.6)	(16.6)
Store Payroll Post June 15 (re: LMP and FF&E removal)	-	-	(1.2)	(0.8)	(3.9)	(3.4)	(3.4)
Store Closure & Exit Costs	-	-	-	-	(14.2)	(12.2)	(12.2)
Shared Services	(2.2)	(2.2)	(7.5)	(10.1)	(14.0)	(10.3)	(8.2)
Interest Payments & Fees - ABL & FILO	(7.4)	(7.3)	1.6	(10.0)	(8.5)	(10.1)	(2.7)
Interest Payments & Fees - TL	(4.3)	(4.3)	(3.2)	(1.0)	(1.0)	(1.0)	3.3
	(44.7)	(48.4)	(66.7)	(83.8)	(126.2)	(139.5)	(94.8)
Net Cash Flow	\$ 157.8	\$ 172.2	\$ 119.3	\$ 113.6	\$ 118.7	\$ 114.0	\$ (43.8)

This is Exhibit “4” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

HBC Cash Flow Summary

\$CAD 000's Week Ending:	Actual Mar7-Jul18	Latest 15-WK CF Forecast Included in the Monitor's 7th Report Dated July 29 th															Forecast Jul19-Oct31	Total Mar7-Oct31
		Week 1 Jul 25	Week 2 Aug 1	Week 3 Aug 8	Week 4 Aug 15	Week 5 Aug 22	Week 6 Aug 29	Week 7 Sep 5	Week 8 Sep 12	Week 9 Sep 19	Week 10 Sep 26	Week 11 Oct 3	Week 12 Oct 10	Week 13 Oct 17	Week 14 Oct 24	Week 15 Oct 31		
Receipts																		
Owned Inventory Sales	\$ 476,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,581
Augmt/Consign/Conces Sales	229,865	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229,865
FF&E	14,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,994
IP Transaction Proceeds	33,902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,902
LMP Proceeds	-	-	-	2,000	20	5,025	-	-	-	-	-	-	-	-	-	-	7,045	7,045
Other	8,413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,413
	763,755	-	-	2,000	20	5,025	-	-	-	-	-	-	-	-	-	-	7,045	770,800
Disbursements																		
Augmt/Consign/Conces Pmt	(216,519)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(216,519)
Occupancy Costs	(88,531)	-	(2,028)	-	(2,028)	556	(1,952)	-	(1,952)	-	-	-	-	-	-	-	(7,404)	(95,935)
Payroll - Non-Corp	(65,746)	(23)	(49)	-	(67)	-	(65)	(18)	(45)	(18)	(44)	(17)	(33)	(13)	(5)	(2)	(400)	(66,146)
Payroll - Corp./Other	(24,564)	(444)	(30)	(744)	(137)	(225)	(130)	(374)	(105)	(139)	(8)	(387)	(66)	(8)	(75)	(158)	(3,031)	(27,595)
Accrued Vacation	(3,696)	(2)	(4)	(27)	(14)	(14)	(5)	(344)	(11)	(10)	(4)	(15)	(7)	(1)	(4)	(2)	(465)	(4,162)
Corporate KERP	(1,403)	-	(65)	(379)	-	(43)	-	(182)	(255)	-	(68)	(48)	-	-	-	-	(1,039)	(2,443)
Liquidation Retention	(4,074)	-	-	(70)	-	-	-	-	-	-	-	-	-	-	-	-	(70)	(4,144)
Sales Tax Remittances	(51,561)	-	-	(4,200)	-	-	-	(50)	-	-	-	(50)	-	-	-	-	(4,300)	(55,861)
Merchandise Payments	(1,682)	-	-	(350)	-	-	-	-	-	-	-	-	-	-	-	-	(350)	(2,032)
Operating Expenses	(33,993)	(2,623)	(1,759)	(1,928)	(752)	(752)	(937)	(184)	(50)	(50)	(100)	(237)	(50)	(50)	(100)	(111)	(9,683)	(43,676)
Signage Removal	-	-	-	-	-	-	-	-	(2,582)	-	-	-	-	-	-	-	(2,582)	(2,582)
Record Destruction	-	-	-	-	(2,260)	-	-	-	-	-	-	-	-	-	-	-	(2,260)	(2,260)
Store Closure & Exit Costs	(1,344)	(1,003)	(1,003)	(1,003)	(1,003)	(1,003)	(1,003)	-	-	-	-	-	-	-	-	-	(6,021)	(7,365)
Vendor Deposits	(3,731)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,731)
Credit Card Fees	(9,763)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,763)
Insurance	(4,098)	-	(430)	(654)	-	-	(430)	-	-	-	(430)	-	(400)	-	-	(430)	(2,776)	(6,874)
Shared Service Payments	(4,801)	(75)	(2,251)	-	(1,703)	-	-	(525)	-	-	(494)	-	-	-	-	(494)	(5,542)	(10,343)
Liquidator Exp. & Fees	(33,894)	-	(1,000)	(280)	-	-	-	-	-	-	-	-	-	-	-	-	(1,280)	(35,174)
Professional Fees	(35,952)	(1,564)	(1,746)	(1,217)	(2,213)	(1,048)	(1,561)	(1,104)	(1,340)	(878)	(1,014)	(552)	(801)	(446)	(688)	(446)	(16,616)	(52,567)
Interest & Fees	(8,016)	-	(781)	-	-	-	(748)	-	-	-	-	(871)	-	-	-	(696)	(3,097)	(11,112)
	(593,367)	(5,734)	(11,148)	(10,853)	(10,177)	(2,529)	(6,832)	(2,257)	(6,866)	(1,096)	(1,666)	(2,671)	(1,357)	(517)	(872)	(2,339)	(66,914)	(660,282)
Net Cash Flow	\$ 170,387	\$ (5,734)	\$ (11,148)	\$ (8,853)	\$ (10,157)	\$ 2,496	\$ (6,832)	\$ (2,257)	\$ (6,866)	\$ (1,096)	\$ (1,666)	\$ (2,671)	\$ (1,357)	\$ (517)	\$ (872)	\$ (2,339)	\$ (59,869)	\$ 110,518
Opening Cash	\$ 5,208	\$ 82,026	\$ 76,293	\$ 65,144	\$ 54,291	\$ 44,134	\$ 41,605	\$ 34,773	\$ 32,516	\$ 25,650	\$ 24,554	\$ 22,888	\$ 20,217	\$ 18,860	\$ 18,343	\$ 17,471	\$ 82,026	\$ 5,208
Net Cash Flow	170,388	(5,734)	(11,148)	(8,853)	(10,157)	2,496	(6,832)	(2,257)	(6,866)	(1,096)	(1,666)	(2,671)	(1,357)	(517)	(872)	(2,339)	(59,869)	110,519
FX Adjustment	3,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,506
Cash Collateralization	(24,372)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,372)
FIL0 Credit Facility Paydown	(72,704)	-	-	(2,000)	-	(5,025)	-	-	-	-	-	-	-	-	-	-	(7,025)	(79,729)
Ending Cash	\$ 82,026	\$ 76,293	\$ 65,144	\$ 54,291	\$ 44,134	\$ 41,605	\$ 34,773	\$ 32,516	\$ 25,650	\$ 24,554	\$ 22,888	\$ 20,217	\$ 18,860	\$ 18,343	\$ 17,471	\$ 15,132	\$ 15,132	\$ 15,132

This is Exhibit “5” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

July 23, 2025

Matthew B. Lerner
Direct line: 416-865-2940
Email: mlerner@litigate.com

Via Email (ataylor@stikeman.com)

Ashley Taylor
Stikeman Elliott LLP
199 Bay Street
Suite 5300, Commerce Court West
Toronto Ontario M5L 1B9

Dear Counsel:

**RE: In the Matter of a Plan of Compromise or Arrangement of Hudson's Bay
Company ULC et al. - CV-25-00738613-00CL**

We write further to yesterday's case conference.

At that case conference, you advised the Court that the "Outside Date" within the Central Walk APA is presently August 7, 2025. We also now understand from that case conference that Ruby Liu Commercial Investment Corp. as the Purchaser, will be seeking an extension of the Outside Date to accommodate the Court's scheduled hearing date to potentially approve the Central Walk APA on August 28 and 29, 2025, but that no extension has yet been agreed.

The purpose of the Outside Date is to require the parties to act diligently to complete the transaction efficiently, and to provide for consequences for unnecessary delay. The Applicants' submissions yesterday indicated that the failure to complete the transaction by the initially agreed upon Outside Date arises from the conduct of the Purchaser, including the serial dismissals of its counsel and delay in preparing and/or presenting a viable business plan to the Landlords. We understand that RLC is likely already in breach of its covenants in the Central Walk APA, affecting its rights related to its deposit.

An extension of the Outside Date is a concession, not previously bargained for by the Purchaser, and which will come at the Applicants' (and FILO Lenders') significant and ongoing expense, absent Central Walk or any party other than the FILO Lenders agreeing to pay for any such concession. Accordingly, consistent with the submissions of the FILO Agent at yesterday's case conference, those whose economic interests are at stake in the Central Walk Transaction, not the FILO Lenders, should be required to bear the economic costs of delay, particularly if the Applicants are being asked to accommodate that delay.

In the circumstances the Applicants and their directors ought to act as any reasonable commercial party and demand an economic *quid pro quo* from the Purchaser and/or the Pathlight Lenders in exchange for any agreement to amend the Central Walk APA and extend the Outside Date to accommodate the new hearing dates. Thus, the Applicants should at the very least request that Central Walk and/or the Pathlight Lenders pay rent on the properties subject to the proposed Central Walk transaction.

Please (a) advise whether the Applicants will issue these demands to RLC and Pathlight as a condition of extending the Outside Date; and (b) confirm that the status of negotiations regarding any extension to the Outside Date will be fully described in the Applicants' motion materials in support of the stay extension (returnable on July 31).

Yours truly,

A handwritten signature in black ink, appearing to read "MBLerner", written in a cursive style.

Matthew B. Lerner

MBL/vm

- c. Brian Kolenda, Christopher Yung, Julien Sicco, Lenczner Slaght
Bennett Jones LLP – Counsel to the Monitor
Metcalf, Blainey & Burns LLP – Counsel to Ruby Liu Commercial Investment Corp.
Osler, Hoskin & Harcourt LLP – Counsel to Pathlight Capital

This is Exhibit “6” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

July 27, 2025

Matthew B. Lerner
Direct line: 416-865-2940
Email: mlerner@litigate.com**Via Email (ataylor@stikeman.com)**Ashley Taylor
Stikeman Elliott LLP
199 Bay Street
Suite 5300, Commerce Court West
Toronto, ON M5L 1B9

Counsel to the Applicants

Via Email (zweigs@bennettjones.com)Sean Zweig
Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Counsel to the Monitor

Dear Counsel:

**RE: In the Matter of a Plan of Compromise or Arrangement of Hudson's Bay
Company ULC et al. - CV-25-00738613-00CL**

We write further to the July 22, 2025 case conference and the Applicants' Motion Record served in support of their motion to extend the stay and other relief returnable July 31, 2025.

As reflected in the endorsement of Justice Osbourne dated July 22, 2025, the Central Walk parties undertook to deliver a revised business plan to the Applicants by July 25, 2025. Please confirm that the Central Walk parties have complied with that requirement. As contemplated by the discussion at the July 22 case conference, please provide a copy to us and the FILO Agent as soon as possible. If necessary, we can receive it on reasonable confidentiality terms, pending its inclusion in any motion materials.

We note that the Applicants' motion record in support of the July 31 motion does not describe the status of the negotiations regarding the possible extension of to the Outside Date in connection with the Central Walk transaction, notwithstanding our request in our letter dated July 23, 2025. In this regard, please advise as to the status of these negotiations, including with respect to whether the Applicants will request, as an economic *quid pro quo* for extending the Outside Date in the Central Walk APA, that Central Walk and/or the Pathlight Lenders pay rent on the properties subject to the proposed Central Walk transaction. As noted in our letter dated July 23, 2025, those whose economic interests are at stake in the Central Walk Transaction should bear the economic costs of delay, not the FILO Lenders.

We note that the relief sought on July 31 includes approval of the Monitor's reports and activities. The FILO Agent is considering its position on this relief.

As you well know, our client is concerned about the failure of the Monitor to recently make any distributions to the FILO Agent, despite its authority to do so, including pursuant to

paragraph 5 of the Stay Extension and Distribution Order dated May 13, 2025. The Monitor has the cash necessary to make additional distributions, including at least the \$6 million currently being held in trust from the closing of the Affiliate Lease Assignment Agreement with Central Walk.

Please confirm what distributions the Monitor intends to authorize, and when. If none, please confirm why. In any case, please provide an updated cash flow forecast which reflects all available cash.

We look forward to hearing from you.

Yours truly,

A handwritten signature in black ink, appearing to read "MBLerner", written in a cursive style.

Matthew B. Lerner

MBL/vm

- c. Brian Kolenda, Christopher Yung, Julien Sicco, Lenczner Slaght
Stikeman Elliot LLP – Counsel to the Applicants
Bennett Jones LLP – Counsel to the Monitor

This is Exhibit “7” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

Ashley Taylor
Direct: +1 416 869 5236
ataylor@stikeman.com

July 29, 2025
File No.: 0124131975

By Email: mlerner@litigate.com

Lenczner Slaght
130 Adelaide St. W, Suite 2600
Toronto, Ontario M5H 3P5

Attention: Matthew Lerner

Re: Asset Purchase Agreement dated May 23, 2025, between Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("Hudson's Bay") and HBC Centrepont GP Inc., Ruby Liu Commercial Investment Corp. and Weihong Liu, as amended (the "Agreement")

As you know, we are counsel to Hudson's Bay. We are in receipt of your letters dated July 23, 2025, and July 27, 2025. Although we disagree with certain of your statements set forth therein, we think it is unnecessary to correct such statements at this time and do not intend to do so.

After receiving your July 23 letter, the Applicants requested that, in light of the delay in bringing the motion and the requirement to extend the Outside Date, the Pathlight Lenders and/or Central Walk agree to pay the rent in respect of the 25 Stores subject to the Agreement until the earlier of closing of the transaction or the effective date of the disclaimer of the applicable leases. Both parties have responded and confirmed again that they are not obligated or prepared to do so.

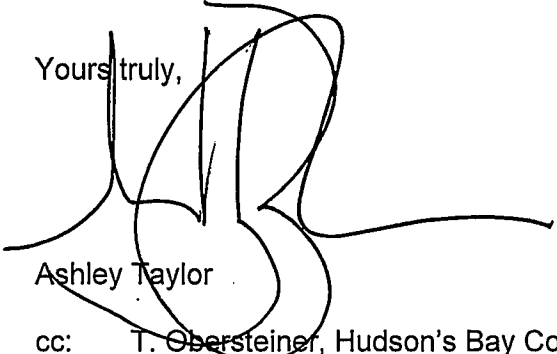
Hudson's Bay and Ruby Liu Commercial Investment Corp. have amended the Agreement to extend the Outside Date to the first Business Day following issuance of the Order of the Court in respect of the Vendor's motion for an Assignment Order currently scheduled to be heard on August 28, and if necessary, August 29, 2025. The Agreement already provides for certain further extensions of the Outside Date depending on the outcome of the approval motion.

We confirm that Central Walk delivered a final business plan to the Applicants on July 25, 2025. A copy of the business plan will be included in the Applicants' motion materials served in support of the August 28 motion seeking approval of the Agreement.

Stikeman Elliott

2

Yours truly,



Ashley Taylor

cc: T. Obersteiner, Hudson's Bay Company
J. Mann, L. Pilon and M. Konyukhova, Stikeman Elliott LLP
M. Wasserman, J. Dacks and D. Rosenblat, Osler, Hoskin & Harcourt LLP
A. Hutchens and G. Karpel, Alvarez & Marsal Canada Inc.
S. Zweig and M. Shakra, Bennett Jones LLP

This is Exhibit “8” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive, flowing style.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

Ashley Taylor
 Direct: +1 416 869 5236
ataylor@stikeman.com

July 5, 2025
 File No.: 0124131975

By Email: lellis@millerthomson.com

Miller Thomson LLP
 40 King Street West, Suite 6600
 Toronto, Ontario M5H 3S1

Attention: Larry Ellis

Re: Asset Purchase Agreement dated May 23, 2025, between HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI ("Hudson's Bay") and HBC CENTREPOINT GP INC., collectively as Vendor, RUBY LIU COMMERCIAL INVESTMENT CORP., as Purchaser, and WEIHONG LIU, as Guarantor, as amended by Amending Agreement dated June 13, 2025 (collectively, the "Agreement")

As you know, we are counsel to the Vendor. Reference is made to the Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

Pursuant to Section 2.3(1) of the Agreement, the Purchaser is obligated to use commercially reasonable efforts to obtain from each Landlord under each Lease a waiver in form and substance acceptable to the Vendor and the Purchaser each acting in a commercially reasonable manner and without delay. Time is of the essence of the Agreement in all respects.

On May 27, 2025, the Vendor's financial and legal advisors (Reflect Advisors, LLC, Oberfeld Snowcap and Stikeman Elliott LLP) organized a video call with the Purchaser to advise and caution the Purchaser of what it should expect at the introductory meetings with eight Landlords scheduled by the Vendor's advisors for the week of June 2 (six in-person meetings and two virtual meetings) (collectively, the "**Landlord Meetings**"). The Vendor's advisors reiterated to the Purchaser that it should be in a position to provide the Landlords with reasonable and substantive details regarding its plans for the Lease locations, including: (1) the proposed uses and products to be sold in the stores; (2) when the stores will be open and operating; (3) the Purchaser's understanding of the cost of repairing each store; (4) how much the Purchaser intends to invest in each store; (5) the Purchaser's intentions regarding subleasing and concessions; and (6) the Purchaser's retail experience. In addition, the Vendor's advisors impressed upon the Purchaser the need to retain qualified Canadian legal counsel (as the Purchaser had terminated the engagement of its prior external counsel) to assist the Purchaser in obtaining the Landlord Waivers as well as Court approval of the Transactions. In response, the Purchaser advised the Vendor's advisors, among other things, to "relax and lay back".

Following the May 27 video call, we wrote (on behalf of the Vendor) to the Purchaser on May 29, 2025 (a copy of the May 29 letter is attached hereto as Exhibit "A"):

1. Reminding the Purchaser of its obligations under Section 2.3(1) of the Agreement and the need to prepare the required documents and information in advance of meeting with the Landlords;
2. Repeating the need for the Purchaser to engage new external Canadian legal counsel to assist with obtaining both the Landlord Waivers and subsequent Court approval of the Transactions;

3. Reiterating the Vendor's view that failing to engage qualified Canadian counsel would have a material and detrimental impact on the Purchaser's ability to obtain the Landlord Waivers and to complete the Transactions;
4. Informing the Purchaser of the need to prepare appropriate forms of Landlord Waivers for each Landlord and provide drafts, including any requested modifications to the Leases, at or as soon as possible after the Landlord Meetings, in accordance with the Purchaser's obligations under the Agreement;
5. Impressing upon the Purchaser the need to provide the Landlords with:
 - a. Sufficient information to assess the identity and financial wherewithal of the Purchaser, including financial statements and organizational documents;
 - b. A finalized business plan, including contemplated investment and renovations at each Lease location, merchandise mix, selected suppliers and licensees, banner name, marketing initiatives, customer engagement activities and forecasted pro forma financial information over a five-year period; and
 - c. Details regarding the Purchaser's management team, including names, biographies and relevant retail and operational experience;
6. Cautioning the Purchaser that the Vendor would not be able to extend the applicable deadlines under the Agreement without the support of the Vendor's secured creditors who would bear the costs and risk of an extended timeline; and
7. Offering the assistance of the Vendor and its advisors.

As we have advised you on numerous occasions, this information is critical to obtain the Landlord Waivers and/or seek Court approval of the Transactions and Leases assignments, and that providing such information is standard in similar circumstances. Nonetheless, the Purchaser chose to ignore the Vendor's advice and did not prepare any substantive materials or presentation for the Landlord Meetings and failed to provide adequate responses to basic questions from the Landlords regarding the proposed tenant's financial covenant, retail operation experience, capital expenditures plan for each Lease location and intended suppliers and product mix.

Following the Landlord Meetings, several Landlords wrote to the Purchaser, the Vendor and/or the Monitor seeking further information, including the information the Vendor's advisors had previously advised the Purchaser would be required. The Purchaser's newly hired Canadian counsel, Miller Thomson LLP, provided a letter to the relevant Landlords on June 6, 2025.

Over the next week, Landlords representing all or virtually all the Lease locations wrote to the Purchaser, the Vendor and/or the Monitor seeking further information and/or advising that the Landlords did not or would not consent to the assignment of their Leases to the Purchaser based on the limited information provided. The letters from these Landlords clearly demonstrate the Purchaser's lack of preparation and advancement of reasonable efforts and tangible steps to address the Landlords' questions and concerns regarding the Purchaser's ability to launch a new 28-store department store concept. For example, set forth below are some excerpts from these letters (each of which is attached hereto as Exhibits "B" through "D"):

- From Cadillac Fairview letter dated June 11, 2025:

"As you may be aware, senior representatives of CFCL met with Ms Liu and her representatives on June 2, 2025, and it was apparent at that meeting that Ms Liu was wholly unprepared to

engage in a meaningful way with CFCL (e.g., no written materials of any kind were provided to CFCL in anticipation of or at such meeting)."

"CFCL has emphasized (including prior to and at its meeting with Ms Liu and her representatives) the need to see a comprehensive business plan – as any landlord would – in order to consider further Ms Liu's proposal. Your June 6 letter did not include or attach a business plan. The majority of the letter consists of a copy of Justice Osborne's Lease Monetization Order and provides almost no detail regarding a strategic, financial, or operational business plan. The bare-bones financial projections attached to your letter seemingly consist of a mere derivation of HBC's historic operating results, while the cost structure enumerated therein does not reflect the reality of this situation. Any business plan for an enterprise of the scale that Ms Liu is purporting to run would have been significantly more comprehensive and thought out to be taken seriously by any interested parties. CFCL is left with a host of unanswered questions, including, but certainly not limited to, her plans for merchandising, staffing, repairs and renovations, marketing, and financing. Please provide such information immediately if you would like us to consider this further."

"It is apparent to CFCL – including from its most recent meeting with Ms Liu – that Ms Liu does not have the wherewithal to act as a retail operator in these leased locations. [...] Moreover, none of this is either described or dispelled in your letter, leaving significant uncertainty as to Ms Liu's plans, or if she in fact knows what her plan is. CFCL is left with the strong impression that Ms Liu is making this up as she goes. These inconsistencies and lack of clarity in Ms Liu's messaging, her lack of preparedness, and her lack of experience as a retail operator, undermine her credibility as a serious tenant capable of operating a retail enterprise of this scale in the CFCL locations."

"The lack of planning and preparation by Ms Liu in respect of the Proposed Assignment is evident in CFCL's interactions with her to date and in the short letter that has been thrown together at the 11th hour."

- From Oxford letter dated June 11, 2025:

"It is clear from the meeting that representatives of Oxford had with the Intended Purchaser and its promoter Ms. Liu (with HBC, the Monitor and various advisors) that Ms. Liu has very limited understanding of the terms of the leases to which she is seeking an assignment, including but not limited to the extent of the repairs that are immediately required to be undertaken at Oxford's locations."

"It will come as no surprise that, based on the information that Oxford has received, Oxford does not consent to or support an assignment of any of their leases to the Intended Purchaser."

- From Primaris REIT letter dated June 12, 2025:

"By way of overview, Ms. Liu's plans are, in our client's view, predicated upon hope, optimism and not on experience in respect of the minimum timelines and costs to refurbish twenty-eight (28) locations, in various degrees of disrepair, in three (3) provinces. Our client's four (4) premises are in significant states of disrepair and there is no reasonable prospect that plans, approvals, permits, trades, and product supply can be completed in three (3) months as projected. All assumptions in the plan that flow from such a materially unrealistic time proposal render all projections inaccurate."

On June 13, 2025, the Vendor extended the Landlord Waiver Date by five business days to June 20, 2025, in order to provide the Purchaser with a further opportunity to address the Landlords' various concerns. In the three weeks since, the Purchaser has failed to provide a response of any kind to the

Landlords. Further, the Purchaser has refused or failed to advance its draft business plan to the point that it could credibly be put to the Court in support of an assignment motion.

In addition, as noted in our letter to the Purchaser dated June 28, 2025, attached hereto as Exhibit "E", the Purchaser has failed to satisfy its obligations under section 2.3(3)(a) of the Agreement to provide the Vendor and the Monitor by the Cure Costs Claims Date (being June 25, 2025) an itemized summary, in reasonable detail, of all Cure Costs which it claims are or will be owing under each of the Leases as of the Closing Date. As a result, as of today's date, there is still no agreement between the Vendor, the Purchaser and the Monitor as to the Purchaser Cure Cost Claims.

The Vendor's advisors have provided substantial assistance to the Purchaser, including but not limited to: (1) introducing the Purchaser to multiple Canadian advisors, including financial, legal and retail consultants; (2) organizing and attending the introductory Landlord meetings; (3) supporting the Vendor's development of a financial forecast model; (4) reviewing and providing input into the June 6, 2025 letter sent to the Landlords; and (5) assisting the Purchaser with communications to Hudson's Bay's former suppliers who may be interested in being potential suppliers to the Purchaser's business.

Throughout the Landlord consultation process, the Purchaser has continuously failed to use commercially reasonable efforts to obtain the Landlord Waivers. We have had numerous discussions with you and/or your legal counsel regarding what is required to advance the Agreement for Court approval. We will not detail these discussions in this letter; however, the Purchaser has failed and/or refused to take the most basic and necessary steps to advance its bid. The Purchaser is in breach of the Agreement and pursuant to Section 9.1(9) of the Agreement, the Vendor has the right to terminate the Agreement and if the Vendor exercises such right the Deposit will become the property of and shall be transferred to the Vendor as liquidated damages pursuant to Section 9.2(2)(a) of the Agreement.

As we have discussed with you and/or Miller Thomson LLP on numerous occasions, in order to have any chance of success at a contested assignment motion, the Purchaser must put forward a viable business plan. To date, the Purchaser has failed to do so and more surprisingly (given the size of the financial commitment contemplated in its bid) has refused to expend appropriate funds to engage the necessary expertise to create a credible business plan. In a final effort to preserve the potential Transactions, but without prejudice to the Vendor's rights and remedies under the Agreement in respect of the Purchaser's existing or future breaches, the Vendor is offering the following final proposal:

1. By 5:00pm ET on Sunday, July 6, 2025, the Purchaser will provide a countersigned copy of this letter to the Vendor and the Monitor agreeing to fulfil all terms of this final proposal set forth herein pursuant to which the Agreement shall be amended to: (a) reduce the Purchase Price by \$3 million; and (b) allow for the release of \$1.5 million of the Deposit to Miller Thomson LLP for the purpose of engaging and paying a retainer to Liz Rodbell (Hudson's Bay's former Chief Executive Officer) as a consultant, KPMG LLP as a financial advisor and Miller Thomson LLP for the purpose of revising the business plan, and such countersigned letter shall, subject to the prior consent of the Monitor, constitute an amendment to the Agreement in accordance with Section 11.0 thereof;
2. By 5:00pm ET on Monday, July 7, 2025, the Purchaser will provide copies of executed engagement letters with Miller Thomson LLP, Liz Rodbell as a consultant, and KPMG LLP as a financial advisor for the purposes of revising the business plan;
3. By 5:00pm ET on Tuesday, July 8, 2025, the Purchaser will provide evidence to the Vendor and the Monitor of the payment of retainers to these external advisors;
4. By 5:00pm ET on Thursday, July 10, 2025, the Purchaser will provide a draft revised business plan which includes the contemplated investment and renovations at each Lease location, merchandise mix, selected suppliers and licensees, banner name, marketing initiatives, customer

engagement activities and forecasted pro forma financial information over a five-year period, which business plan the Vendor will review and may share with Hudson's Bay's secured lenders on a without prejudice basis;

5. On the understanding that the revised business plan is delivered in the requisite time, the Vendor will respond with comments to the revised business plan by 5:00pm on Friday, July 11, 2025; and
6. By 5:00pm ET on Sunday, July 13, 2025, the Purchaser will provide a final revised business plan incorporating the reasonable comments received from the Vendor or otherwise addressing the concerns raised by such comments, which final business plan the Vendor will review and may share with Hudson's Bay's secured lenders, and if requested, the Purchaser will meet with Hudson's Bay's secured lenders to present and discuss the business plan.

Throughout this process, the Purchaser will cause its full business team to work continuously and cooperatively with its external advisors to meet these deadlines.

Any failure by the Purchaser to meet any of these terms or deadlines will constitute an immediate default by the Purchaser under the Agreement and will entitle the Vendor to immediately terminate the Agreement for breach of covenant.

We look forward to your prompt response. The Vendor reserves all its rights and remedies pursuant to the Agreement.

Yours truly,

Ashley Taylor

cc: Thomas Obersteiner, Hudson's Bay Company
Jonah Mann, Stikeman Elliott LLP
Adam Zalev and Darcy Eveleigh, Reflect Advisors LLC
Jay Freedman, Oberfeld Snowcap
Alan Hutchens and Greg Karpel, Alvarez & Marsal Canada Inc.
Sean Zweig and Michael Shakra, Bennett Jones LLP

Acknowledged and agreed to this 6th day of July, 2025, for the purpose of amending the Agreement pursuant to Section 11.9 thereof, the whole pursuant to the terms of this letter.

RUBY LIU COMMERCIAL INVESTMENT CORP.

Name: Weihong Liu

Title: Chairwoman

This is Exhibit “9” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

Est. Central Walk Share of Forecasted Disbursements in the Monitor's 5th Updated Cash Flow

(\$000's)	August (4 Weeks)		September (4 Weeks)		October (5 Weeks)	
	Total	CW-Related	Total	CW-Related	Total	CW-Related
Store Carrying Costs						
FIL0 Leases (6)	\$ 780 100%	\$ 780	\$ 780 100%	\$ 780	\$ - 100%	\$ -
Term Loan Leases (19)	3,120 100%	3,120	3,120 100%	3,120	- 100%	-
Rent	3,900	3,900	3,900	3,900	-	-
Utilities (Note 1)	500 25%	130	200 50%	100	250 50%	130
Property Liability Insurance	430 25%	110	430 25%	110	430 25%	110
Payroll - Store	130 25%	30	130 25%	30	70 50%	40
Internet/Phone Lines	600 25%	150	120 25%	30	50 50%	30
Utilities & Other	1,660	420	880	270	800	310
Total	5,560	4,320	4,780	4,170	800	310
Corp Payroll & Benefits	1,240 20%	250	630 30%	190	690 10%	70
Professional Fees (Note 2)						
Stikeman	1,920 55%	1,060	1,360 35%	480	900 0%	-
Reflect	800 55%	440	750 35%	260	300 0%	-
A&M	900 55%	500	730 35%	260	570 0%	-
Bennett Jones	900 55%	500	730 35%	260	570 0%	-
FIL0 Lenders	910 55%	500	650 35%	230	480 0%	-
Other	610 0%	-	120 0%	-	110 0%	-
	6,040 50%	3,000	4,340 34%	1,490	2,930 0%	-
Other Disbursements (Note 3)						
Occupancy - YM & Other	160 0%	-	- 0%	-	- 0%	-
Ivanhoe Rent Reimb.	(560) 0%	-	- 0%	-	- 0%	-
Accrued Vacation	60 0%	-	370 0%	-	30 0%	-
Corporate KERP	420 0%	-	500 0%	-	50 0%	-
Liquidation Retention	70 0%	-	- 0%	-	- 0%	-
Sales Tax Remittances	4,200 0%	-	50 0%	-	50 0%	-
Merchandise Payments	350 0%	-	- 0%	-	- 0%	-
Op. Exp. (excl. Utilities/Comm. above)	3,270 0%	-	60 0%	-	250 0%	-
Signage Removal	- 0%	-	2,580 0%	-	- 0%	-
Record Destruction	2,260 0%	-	- 0%	-	- 0%	-
Store Closure & Exit Costs	4,010 0%	-	- 0%	-	- 0%	-
Shared Service Payments	1,700 0%	-	520 0%	-	990 0%	-
Interest & Fees	750 0%	-	- 0%	-	1,570 0%	-
Liquidator Exp. & Fees	280 0%	-	- 0%	-	- 0%	-
Insurance - D&O and Cyber	650 0%	-	- 0%	-	400 0%	-
	17,620	-	4,080	-	3,340	-
Total	\$30,460	\$ 7,570	\$13,830	\$ 5,850	\$7,760	\$ 380

Note 1: Utilities & other store carrying costs are primarily paid one month in arrears. July/August expenses (paid in Aug/Sep) include expenses related to CW 25 locations as well as ~70 other stores for the ongoing FF&E removal and store cleanup work. October CW allocation has been adjusted to align with August & September run rates.

Note 2: The professional fees forecasted for October do not include any work related to CW. Therefore, the allocation above assumes that approximately 80% of the incremental fees for August and September are primarily attributable to CW. The remaining 20% is assumed to be related to Charter, Art, and other workstreams.

Note 3: None of the other disbursements are directly attributable to CW.

This is Exhibit “10” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG

Toronto

Montréal

Calgary

Ottawa

Vancouver

New York

August 6, 2025

Marc S. Wasserman
Direct Dial: 416.862.4908
MWasserman@osler.com
Our Matter Number: 1249704

PRIVILEGED & CONFIDENTIAL

SENT BY ELECTRONIC MAIL

Ms. Liz Pillon
Stikeman Elliott LLP
5300 Commerce Court West 199 Bay St.
Toronto, ON M5L 1B9

Dear Liz:

Pension Information re: Hudson Bay Company ULC (the “Company”)

We write on behalf of Pathlight, which HBC has recognized as the likely fulcrum creditor in HBC’s ongoing CCAA proceedings and therefore the creditor with the most significant financial interest in any refund of surplus from the HBC Pension Plan (the “**Plan**”) to HBC.

We are in receipt of the letter dated August 6, 2025 wherein the FILO Lenders have made certain documentary requests of the Company regarding the Plan. For similar reasons, we request that those documents be copied to us as well. We also ask for the most recent monthly (or other periodic) statement of the Plan trustee listing all assets held in trust on behalf of the Plan by the Trustee, and the value ascribed to each. We also ask that the foregoing be provided as soon as possible and, in any event, no later than August 11, 2025.

Yours truly,



Marc S. WassermanMSW:lr

Linc Rogers & Caroline Helbronner, *Blake, Cassels & Graydon LLP*

Ash Taylor & Maria Konyukhova, *Stikeman Elliott LLP*

Greg Karpel & Al Hutchens, *Alvarez & Marsal Canada Inc.*

Sean Zweig & Mike Shakra, *Bennett Jones LLP*

Adam Zalev, *Reflect Advisors*

Mitch Frazer & Emily Fan, *Mintz*

Matthew Lerner, Brian Kolenda, Christopher Yung & Julien Sicco, *Lenczner Slaght*

This is Exhibit “11” referred to in the Affidavit of Ian Fredericks sworn by Ian Fredericks of the City of Lake Forest, in the State of Illinois, before me at the City of Toronto, in the Province of Ontario, on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink that reads "Christopher Yung". The signature is written in a cursive style with a large, stylized 'Y'.

Commissioner for Taking Affidavits (or as may be)

CHRISTOPHER YUNG



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

Caitlin McIntyre

Associate

Dir: 416-863-4174

Caitlin.mcintyre@blakes.com

August 6, 2025

VIA E-MAIL

Reference No. 92962/2

Stikeman Elliott LLP
 5300 Commerce Court West
 199 Bay St.
 Toronto, ON M5L 1B9

Attention: Liz Pillon
 Email: lpillon@stikeman.com

RE: Pension Information

Re: Hudson Bay Company ULC (the "**Company**")

Dear Liz:

As you are aware, we are counsel to the last-out FILO group of lenders (the "**FILO Lenders**"), under the first in, last out facility which forms part of the Company's pre-filing ABL Facility.

We write with respect to the Hudson's Bay Company Pension Plan (the "**Pension**"). We understand that you are currently in the process of preparing a status update regarding the Pension and look forward to receiving same. The FILO Lenders formally request that, in addition to said update, the following up to date information regarding the Pension be provided:

1. Copy of the most recent Statement of Investment Policies and Procedures
2. Copies of the most recent actuarial valuation and/or reports (together with any roll-forward from the date of the last report)
3. Copies of the most recent financial statements or audited financial statements
4. Copy of the most recent Investment Information Summary, including a list of all current investments

The foregoing information is vital to the FILO Lenders' ability to accurately assess the level of risk associated with potential recovery in respect of the Pension. Section 6.02(f) of the ABL Credit Facility entitles the FILO Lenders to request, and promptly be provided with, this information. We understand that this information should be readily available to the Company. Accordingly, the FILO Lenders require that the foregoing information be provided as soon as possible and, in any event, no later than **August 11, 2025**.



Page 2

We look forward to your earliest response.

Yours very truly



Caitlin McIntyre

- c: Linc Rogers & Caroline Helbronner, Blake, Cassels & Graydon LLP
- c: Ash Taylor & Maria Konyukhova, Stikeman Elliott LLP
- c: Marc Wasserman, Osler, Hoskin & Harcourt LLP
- c: Greg Karpel & Al Hutchens, Alvarez & Marsal Canada Inc.
- c: Sean Zweig & Mike Shakra, Bennett Jones LLP
- c: Adam Zalev, Reflect Advisors
- c: Mitch Frazer & Emily Fan, Mintz
- c: Matthew Lerner, Brian Kolenda, Christopher Yung & Julien Sicco, Lenczner Slaght

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE
D'HUDSON SRI et al.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

REPLY AFFIDAVIT OF IAN FREDERICKS

LENCZNER SLAGHT LLP

Barristers

130 Adelaide Street West, Suite 2600
Toronto, ON M5H 3P5

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Email: jsicco@litigate.com

Lawyers for ReStore Capital, LLC,
in its capacity as FILO Agent

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE
D'HUDSON SRI et al.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**REPLY MOTION RECORD OF THE FILO AGENT
(RETURNABLE AUGUST 28, 2025)**

LENCZNER SLAGHT LLP

Barristers

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Lawyers for ReStore Capital, LLC,
in its capacity as FILO Agent