

**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
1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C.
LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608
B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270
ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC.,
AND 2472598 ONTARIO INC.**

Applicants

**SUPPLEMENT TO THE NINTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

NOVEMBER 17, 2025

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1.0 INTRODUCTION

- 1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson’s Bay Company ULC Compagnie De La Baie D’Hudson SRI) (“**Hudson’s Bay**” or the “**Company**”), and the other applicants listed on **Schedule “A”** hereto (together, the “**Applicants**”), were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule “A”** hereto (together with HBC Holdings LP, the “**Non-Applicant Stay Parties**”). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as “**Hudson’s Bay Canada**”.¹ In accordance with an Order granted by the Court on June 23, 2025, certain Hudson’s Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson’s Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule “B”** hereto.
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”). A&M, then in its capacity as proposed Monitor, issued a pre-

¹ The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms “Applicants”, “Non-Applicant Stay Parties” and “Hudson’s Bay Canada” as used in this Report refer to the applicable entities at the relevant times.

filing Report dated March 7, 2025, to provide the Court with information and, where applicable, its views on the relief sought by the Applicants.

- 1.3 Since the Initial Order was granted, this Court has heard numerous motions and granted various Orders, and a significant volume of materials has been filed by interested parties in connection therewith. This Report (the “**Supplemental Report**”) is a supplement to the Monitor’s Ninth Report dated September 22, 2025 (the “**Ninth Report**”), and should be read in conjunction with the Ninth Report and the Zalev Charter Affidavits (as defined below). A copy of the Ninth Report, without appendices, is attached hereto as **Appendix “A”**.

September 25 and September 29 Motions

- 1.4 On September 19, 2025, the Applicants served a motion record returnable September 25, 2025, including the affidavit of Adam Zalev of Reflect Advisors, LLC (“**Reflect**”), the Applicants’ financial advisor, sworn September 19, 2025, seeking an Order (the “**Art Auction Process Order**”), among other things:
- (a) approving the proposed process (the “**Art Collection Auction Procedures**”) for the auction of the Art Collection (the “**Art Collection Auction**”) in the form attached as Schedule “A” to the Art Auction Process Order, with such non-material amendments as the Applicants, Reflect, the Auctioneer and the Monitor may agree;
 - (b) authorizing Heffel Gallery Limited, as auctioneer, to conduct the Art Collection Auction in accordance with the Art Collection Auction Procedures; and

- (c) vesting the individual Lots (as defined in the Art Collection Auction Procedures) constituting the Art Collection in the Purchasers (as defined in the Art Auction Process Order) at the Art Collection Auction free and clear of all claims and encumbrances.
- 1.5 On the same date, the Applicants served a motion record returnable September 29, 2025, also including an affidavit sworn September 19, 2025 by Adam Zalev (the “**First Zalev Charter Affidavit**”), seeking an Order (the “**Charter Auction Process Order**”), among other things:
 - (a) approving the proposed process (the “**Charter Auction Process**”) for the auction of the Hudson’s Bay Company Royal Charter (the “**Charter**”, and that auction, the “**Charter Auction**”) in the form attached as Schedule “A” to the Charter Auction Process Order, with such non-material amendments as the Applicants, Reflect and the Monitor may agree; and
 - (b) authorizing Reflect to conduct the Charter Auction in accordance with the Charter Auction Process.
- 1.6 The Monitor filed its Ninth Report in connection with the motions for the Art Auction Process Order and the Charter Auction Process Order. The Art Auction Process Order was granted by the Court on September 25, 2025.
- 1.7 At the hearing for the Charter Auction Process Order on September 29, 2025, counsel for the Applicants advised the Court that an unsolicited proposal in respect of the Charter had been received late in the evening of September 28, 2025. As discussed in greater detail

below, the proposal referenced by the Applicants' counsel was a joint bid from DKRT Family Corp. ("**DKRT**") and Wittington Investments, Limited ("**Wittington**").

- 1.8 Given the unexpected and unsolicited joint offer, of which DKRT (who had previously committed to submitting an independent offer in connection with the Charter Auction Process)², was a bidder, the Applicants requested an adjournment of the motion for the approval of the Charter Auction Process Order. The adjournment was not opposed by any party and was supported by the Monitor and the Attorney General of Canada. The Court granted the adjournment request pursuant to an endorsement of the same date.
- 1.9 The hearing of the motion for the Charter Auction Process Order was re-scheduled for October 9, 2025, and was subsequently re-scheduled for October 20, 2025. The Applicants ultimately did not seek approval of any relief in respect of the Charter at the October 20 hearing.

Updated Charter Auction Process Order

- 1.10 On November 14, 2025, the Applicants served the affidavit of Adam Zalev sworn on the same date supplementing the First Zalev Charter Affidavit (together, the "**Zalev Charter Affidavits**") in support of the Applicants' motion seeking updates to the form of Charter Auction Process Order originally sought (the "**Updated Charter Auction Process Order**"). Among other things, the Updated Charter Auction Process Order would:

² Such offer was contained in the DKRT Commitment Letter described in further detail below and in the Ninth Report.

- (a) approve a revised version of the Charter Auction Process for the Charter Auction in the form attached as Schedule “A” to the Updated Charter Auction Process Order (the **“Updated Charter Auction Process”**); and
- (b) authorize Reflect to conduct the Charter Auction in accordance with the Updated Charter Auction Process.

1.11 A copy of the Updated Charter Auction Process Order, and a redline to the version that was originally to be sought by the Applicants at the September 29 hearing, are attached at **Appendix “B”** and **“C”**, respectively.

Purpose of this Supplemental Report

- 1.12 The purpose of this Supplemental Report is to provide the Court with information and, where applicable, the Monitor’s views on:
- (a) the Updated Charter Auction Process Order and related developments following the Ninth Report; and
 - (b) the Applicants’ cash flow results relative to the Applicants’ cash flow forecast attached as Appendix “A” to the Tenth Report of the Monitor dated October 17, 2025 (the **“Tenth Report”**).

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Supplemental Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including

senior management of, and advisors to, the Applicants (collectively, the “**Information**”). Except as otherwise described in this Supplemental Report, in respect of the Applicants’ cash flow forecast:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (the “CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and
- (b) some of the information referred to in this Supplemental Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Supplemental Report was prepared based on the estimates and assumptions of the Applicants. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections and even if the assumptions materialize, the variations could be significant.

2.3 This Supplemental Report should be read in conjunction with the Ninth Report and the Zalev Charter Affidavits. Capitalized terms used and not defined in this Supplemental Report have the meanings ascribed in the Ninth Report.

- 2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 UPDATED CHARTER AUCTION PROCESS ORDER

Developments Regarding the Charter Following Ninth Report

- 3.1 The Ninth Report provides background on the Charter and details the lead-up to the Applicants' motion for approval of the Charter Auction Process that was originally returnable September 29, 2025. The Ninth Report also discussed the DKRT Commitment Letter provided to the Applicants by DKRT pursuant to which DKRT agreed to: (a) participate in any Court-approved auction process for the Charter; (b) submit an opening bid of no less than \$15 million; and (c) not directly or indirectly discuss or cooperate with or offer to any person any position or other form of direct or indirect participation in the Charter Auction Process or the acquisition of the Charter without the prior written consent of the Applicant and the Monitor. Further details on the lead-up to the Charter Auction Process and the DKRT Commitment Letter are provided in the Ninth Report and are not repeated herein.
- 3.2 For the reasons set out in the First Zalev Charter Affidavit and the Ninth Report, the Applicants had expected to seek approval of the Charter Auction Process Order on September 29, 2025.
- 3.3 As noted above, on the evening of September 28, 2025, the Applicants received an unsolicited joint proposal from Wittington and DKRT (the "**Joint Proposal**"). Wittington and DKRT had each executed non-disclosure agreements with the Applicants prior to the

submission of the Joint Proposal. Pursuant to the terms thereof, and in the case of DKRT, also pursuant to the terms of the DKRT Commitment Letter, the Applicants and the Monitor are of the view that Wittington and DKRT (together, the “**Joint Bidders**”) were not permitted to submit a joint bid without the prior consent of the Applicants and the Monitor. The Joint Bidders dispute this interpretation.

- 3.4 The Applicants, Reflect, the Monitor, the FILO Agent, Pathlight and the Joint Bidders have engaged in constructive discussions following the submission of the Joint Proposal. These discussions ultimately culminated in the Joint Bidders delivering a binding commitment letter confirming the terms of the Joint Proposal dated November 14, 2025 (the “**Joint Commitment Letter**”) pursuant to which the Joint Bidders agreed to, among other things, participate in a Court-approved auction process for the Charter, and submit a bid of at least \$18 million thereunder.
- 3.5 The Joint Proposal contemplates a donation in equal parts, using a shared public custodianship model, to a consortium of the Archives of Manitoba, the Manitoba Museum, the Canadian Museum of History, and the Royal Ontario Museum (collectively, the “**Public Custodians**”). In the event the Joint Proposal is selected as the Successful Bid and approved by the Court, the Joint Bidders have also committed to provide a \$5 million donation to the Public Custodians to fund stewardship, consultation, education, and public access related to the Charter.
- 3.6 The Monitor understands that the contemplated donation is intended to facilitate public engagement that will: (a) involve consultations with First Nations, Inuit, and Métis communities and organizations, as well as other relevant organizations and the broader

public; (b) promote sharing of the Charter with institutions across Canada for public display; (c) support the Public Custodians' educational programs and outreach efforts in connection with the Charter; and (d) ensure that the Charter remains in Canada as well as its preservation, stewardship, and continuing accessibility for all Canadians.

3.7 The Applicants and the Monitor, in consultation with Reflect, the FILO Agent, and with Pathlight not opposing, agreed to allow Wittington and DKRT to act jointly and accepted the Joint Proposal. The Monitor is of the view that the acceptance of the Joint Proposal is reasonable and appropriate in the circumstances, and in the best interests of the Applicants' stakeholders given:

- (a) the Joint Proposal provides for additional consideration to be paid to the Applicants, and a greater donation to be made to the Public Custodians, compared to the DKRT Commitment Letter and the Wittington Offer;
- (b) the acceptance of the Joint Proposal is supported by the FILO Agent and is not opposed by Pathlight (the Applicants' two key economic stakeholders);
- (c) the Public Custodians are respected institutions with expertise in the preservation, care and dissemination of significant artifacts. The Monitor understands that the Public Custodians are committed to consult with Indigenous groups and facilitate public access to the Charter through national sharing mechanisms. Further, the Public Custodians are not bound by the Joint Proposal and are free to accept a donation from any other Qualified Bidder (as defined in the Updated Charter Auction Process); and

- (d) the Joint Proposal will represent the opening bid under the Updated Charter Auction Process, under which interested parties will have an opportunity to submit a superior offer. Further, as noted below, any bid determined to be a “Successful Bid” at the conclusion of the Updated Charter Auction Process (including, if applicable, the Joint Proposal), will be subject to Court approval.

Updated Charter Auction Process³

- 3.8 The Updated Charter Auction Process is substantially similar to the Charter Auction Process that the Applicants originally intended to seek at the motion scheduled for September 29, 2025. The main changes proposed are discussed below.
- 3.9 The key dates for the Charter Auction have been extended in light of the revised motion date – the Updated Charter Auction Process now contemplates that the Charter Auction will take place on or about December 3, 2025, with Interested Potential Bidders being required to submit Bid Proposals to Reflect and the Monitor by no later than November 28, 2025. As described below, there has been significant formal and informal marketing of the Charter, and the Monitor believes the November 28, 2025, bid deadline allows for sufficient time for potentially interested parties to receive notice of the Charter Auction and determine whether they will submit a Bid Proposal.
- 3.10 In addition to the criteria previously noted in the Ninth Report in respect of the original Charter Auction Process, to qualify as a Qualified Bidder under the Updated Charter

³ Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Updated Charter Auction Process.

Auction Process, Potential Bidders will be required to submit a Bid Proposal that includes, among other things:

- (a) a commitment, in form and substance satisfactory to Reflect and the Monitor, to bid no less than \$18.5 million at the Charter Auction;
- (b) an acknowledgement that the Charter is of outstanding significance and of high national importance and is protected under the *Canadian Cultural Property Export and Import Act*;
- (c) confirmation that the Potential Bidder is considering the acquisition of the Charter for its own account and a commitment by the Potential Bidder to permanently donate the Charter to one or more Canadian public institutions with the ability to preserve cultural property for the long term and make it accessible to the public through exhibitions, programming, publication, research, or online, and which includes a museum or archives (a “**Public Institution**”) immediately after the closing of the Charter’s purchase;
- (d) details of the terms of the donation, including the amount, if any, the Potential Bidder will donate to the proposed Public Institution to support a consultation process, sharing of the Charter, or other Charter-related activities; and
- (e) a letter from the Public Institution to which the Charter is proposed to be donated indicating it will accept the donation and the terms thereof, including the Public Institution’s capacity to ensure the continued preservation of the Charter, the Public Institution’s plan to conduct a consultation process with respect to sharing the Charter

with other Public Institutions and Indigenous groups, and the Public Institution's plans for the Charter while consultations are ongoing.

- 3.11 The Monitor is of the view that the Updated Charter Auction Process will be well-publicized – these CCAA Proceedings, and the potential disposition of the Charter, have received significant media coverage. The Company will issue a press release, and the Monitor understands that Reflect has contacted (and will continue to contact) a list of potential purchasers, including by way of distributing the 'teaser' document prepared in this regard. The proposed Updated Charter Auction Process included in the Applicants' motion materials is available on the Monitor's website, and if the Updated Charter Auction Process is approved, it will be posted to a separate and easily accessible tab on the Monitor's website.
- 3.12 The Applicants intend to return to seek Court approval of the Successful Bid following the conclusion of the Updated Charter Auction Process.
- 3.13 The Monitor is of the view that the approval of the Updated Charter Auction Process Order is in the best interests of the Applicants and their creditors for similar reasons for its support of the Charter Auction Process as discussed in the Ninth Report. The Monitor therefore respectfully recommends that this Court approve the Updated Charter Auction Process Order given that, among other things:
- (a) the Updated Charter Auction Process will provide for an open and transparent sale of the Charter during the Charter Auction in a value-maximizing manner;

- (b) the Updated Charter Auction Process was designed with the Charter's unique cultural and historical importance in mind, and contains appropriate safeguards to ensure, among other things, that the Charter remains in Canada and will be made publicly-accessible;
- (c) the Joint Proposal ensures that, even if no new bids are received, appropriate value will be received and the Charter will be donated to a public institution and additional funds have been committed to be provided to the donee institution to support consultation with Indigenous groups, collaborations with cultural institutions, and the sharing of the Charter across Canada to maximize public access;
- (d) the Updated Charter Auction Process Order is supported by the FILO Agent and not opposed by Pathlight; and
- (e) the Monitor does not believe the granting of the Updated Charter Auction Process Order will materially prejudice any of the Applicants' stakeholders.

4.0 CASH FLOW RESULTS RELATIVE TO FORECAST⁴

4.1 Actual receipts and disbursements for the four-week period from October 11 to November 7, 2025 (the "**Reporting Period**"), as compared to the cash flow forecast attached as **Appendix "A"** to the Tenth Report (the "**Sixth Updated Cash Flow Forecast**"), are summarized in the following table:

⁴ Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the First Report of the Monitor dated March 16, 2025.

Cash Flow Variance Report			\$000's
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Receipts	1,310	--	1,310
Disbursements			
Payroll & Benefits	(1,178)	(1,229)	51
Occupancy Costs	(3,980)	(3,964)	(16)
Wind-down Expenses	(835)	(1,485)	650
Store Closure & Exit Costs	(854)	(1,436)	582
Consultant Fees & Expenses	--	(280)	280
Professional Fees	(2,334)	(2,651)	317
Shared Service Payments	(1,193)	(2,890)	1,697
Interest Payments & Fees	(756)	(695)	(61)
Total Disbursements	(11,129)	(14,629)	3,500
Net Cash Flow	(9,819)	(14,629)	4,810
Opening Cash Balance	37,105	37,112	(7)
Net Cash Flow	(9,819)	(14,629)	4,810
FILO Credit Facility Paydown	(4,000)	-	(4,000)
Closing Cash Balance	23,286	22,483	803

4.2 Pursuant to paragraph 22(c) of the Court’s endorsement dated March 29, 2025, the Monitor is required to advise the Court if, at any time, actual results vary as compared to the applicable Cash Flow Forecast by 15% or more. Since the filing of the applicable Cash Flow Forecast, the Monitor notes that, on a net cash flow basis, actual cash flow results have not negatively varied from the applicable Cash Flow Forecast.

4.3 Explanations for the variances during the Reporting Period are as follows:

- (a) receipts of approximately \$1.3 million relate to: (i) a partial release of the funds held by the Company’s credit card processor to cover chargeback exposure (the “**CC Processor Holdback**”) of approximately \$1.2 million; and (ii) interest income of approximately \$100,000 earned on cash balances held in the Company’s bank accounts. The cumulative positive variance of \$1.3 million is comprised of: (x) a

positive timing variance of \$500,000 related to the partial release of CC Processor Holdback, which had been forecast to be received the week ending November 14, 2025; (y) a positive permanent variance of \$700,000 resulting from a negotiated increase to the initial release of the CC Processor Holdback, which receipt had been expected to be received outside of the forecast period; and (z) a permanent positive variance of approximately \$100,000 due to interest income earned on the Company's cash balances;

- (b) the positive variance in store closure and exit costs of approximately \$582,000 is primarily a timing variance, as FF&E removal work continues to advance and signage removal work is to commence shortly. In addition, the Company has begun incurring FF&E removal costs in connection with the Subject Leases (as defined in the Eighth Report of the Monitor dated August 20, 2025), and these costs will be incremental to the amounts included in the forecast and will be a negative permanent variance;
- (c) the positive variance in professional fees of approximately \$317,000 is considered a timing variance;
- (d) the positive variance in shared service payments of approximately \$1.7 million is considered a timing variance relating to ongoing reconciliations for services incurred during June and October 2025, that have not yet been paid; and
- (e) the remaining net positive variance in total disbursements of approximately \$904,000 is considered a timing variance arising from timing differences in the payment of certain wind-down and other expenses.

- 4.4 As directed in the endorsement of Justice Osborne on October 24, 2025, and in accordance with the Stay Extension and Distribution Order dated May 13, 2025, which authorized distributions to be made to the FILO Agent in respect of amounts owing under the FILO Credit Facility (excluding the Make-Whole) (each as defined in the Third Report of the Monitor dated May 9, 2025), the Company made a distribution of \$4.0 million to the FILO Agent on October 31, 2025. This distribution was not forecast during the Reporting Period.
- 4.5 The principal balance owing to the FILO Lenders under the FILO Credit Facility, after accounting for the distribution noted above and excluding the Make-Whole, is approximately \$53.1 million.
- 4.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately \$4.8 million, before considering the distribution to the FILO Agent. The closing cash balance as of November 7, 2025, was approximately \$23.3 million, as compared to the projected cash balance of \$22.5 million.
- 4.7 As previously reported, the Monitor is holding the remaining proceeds from the closing of the Affiliate Lease Assignment Transaction of \$4.0 million in trust (received on June 26, 2025). These funds are incremental to the Company's closing cash balance as of November 7, 2025.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 For the reasons set out in this Supplemental Report, the Monitor respectfully recommends that this Court grant the relief sought by the Applicants.

All of which is respectfully submitted to the Court this 17th day of November, 2025.

**Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Greg A. Karpel
Senior Vice-President

SCHEDULE A⁵

OTHER APPLICANTS

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.

247598 Ontario Inc.

NON-APPLICANT STAY PARTIES

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 Centerpoint LP

⁵ This schedule lists the Applicants and Non-Applicant Stay Parties as of the Initial Order. As noted within the Ninth Report, the CCAA Proceedings were terminated in respect of two of the Applicants, and the stay of proceedings no longer applies in respect of several of the Non-Applicant Stay Parties.

The Bay Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

SCHEDULE B

Name Changes for Hudson's Bay Canada Entities

Former Name	New Name	CCAA Status	Effective Date of Name Change
HBC Centrepont GP Inc.	2745263 Ontario Inc.	Applicant	August 12, 2025
HBC Holdings GP Inc.	2745270 Ontario Inc.	Applicant	August 12, 2025
Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI	1242939 B.C. Unlimited Liability Company	Applicant	August 12, 2025
HBC Canada Parent Holdings Inc.	1241423 B.C. Ltd.	Applicant	August 12, 2025
HBC Canada Parent Holdings 2 Inc.	1330096 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings I Inc.	1330094 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings II ULC	1330092 B.C. Unlimited Liability Company	Applicant	August 12, 2025
The Bay Holdings ULC	1329608 B.C. Unlimited Liability Company	Applicant	August 12, 2025
2472596 Ontario Inc.	--	Applicant	--
2472598 Ontario Inc.	--	Applicant	--
Snospmis Limited	--	Applicant	--

APPENDIX A
Ninth Report of the Monitor dated September 22, 2025

See attached.

**ONTARIO
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SEPTEMBER 22, 2025

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1.0 INTRODUCTION

- 1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson’s Bay Company ULC Compagnie De La Baie D’Hudson SRI) (“**Hudson’s Bay**” or the “**Company**”), and the other applicants listed on **Schedule “A”** hereto (together, the “**Applicants**”), were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule “A”** hereto (together with HBC Holdings LP, the “**Non-Applicant Stay Parties**”). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as “**Hudson’s Bay Canada**”.¹ In accordance with an Order granted by the Court on June 23, 2025, certain Hudson’s Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson’s Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule “B”** hereto.
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”). A&M, then in its capacity as proposed Monitor, issued a pre-

¹ The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms “Applicants”, “Non-Applicant Stay Parties” and “Hudson’s Bay Canada” as used in this Report refer to the applicable entities at the relevant times.

filing Report dated March 7, 2025, to provide the Court with information and, where applicable, its views on the relief sought by the Applicants.

- 1.3 Since the Initial Order was granted, this Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. This Report (the “**Ninth Report**”) does not contain a detailed chronology of these proceedings or the various relief granted. Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor (the “**Prior Reports**”) and all endorsements and orders made by the Court, are available on the Monitor’s case website at: www.alvarezandmarsal.com/HudsonsBay, and the Monitor’s Sixth Report dated July 14, 2025 contains a detailed chronology of these proceedings up to that date.

SISP and A&R SISP

- 1.4 On March 21, 2025, the Court granted various Orders, including an order (the “**SISP Order**”), among other things, approving a sale and investment solicitation process in respect of the Applicants’ business and property (the “**SISP**”) to be conducted by the Applicants and the Company’s financial advisor, Reflect Advisors, LLC (“**Reflect**”), under the supervision of the Monitor. The SISP Order provided that the Charter (as defined below) and the Company’s art and artifacts collection (the “**Art Collection**”) would be included in the Property (as defined in the SISP) available for sale pursuant to the SISP.
- 1.5 On April 24, 2025, the Court granted an order amending and restating the SISP Order (the “**A&R SISP Order**”), among other things, approving: (i) the removal of the Charter and the Art Collection from the SISP; and (ii) the engagement of Heffel Gallery Limited

(“**Heffel**”) as auctioneer (the “**Auctioneer**”) to conduct a separate auction for the sale of the Charter and the Art Collection.

September 9 Motion

- 1.6 On July 30, 2025, the Applicants served a motion record in support of a motion returnable September 9, 2025 (the “**September 9 Motion**”) seeking an Order, among other things, approving the sale of the Charter by Hudson’s Bay to Wittington Investments, Limited (“**Wittington**”), a corporation owned by the Weston family, pursuant to the transaction (the “**Charter Transaction**”) contemplated by the offer received from Wittington to acquire the Charter (the “**Wittington Offer**”) dated June 18, 2025. The Charter Transaction contemplated, among other things, that Wittington would purchase the Charter for \$12.5 million and immediately donate the Charter to the Canadian Museum of History.
- 1.7 The Court issued an endorsement on July 31, 2025, among other things, directing that any responding materials in respect of the September 9 Motion be delivered no later than August 21, 2025.
- 1.8 On August 21, 2025, counsel for the Attorney General of Canada served a motion record in support of the September 9 Motion.
- 1.9 On the same date, counsel for DKRT Family Corp. (“**DKRT**”), the personal family holding company of David K.R. Thomson, served a responding motion record, including the affidavit of Patrick Phillips of DKRT sworn the same date (the “**Phillips Affidavit**”). The Phillips Affidavit, among other things, indicated that DKRT:

- (a) opposed the Charter Transaction and is of the view that the Charter should only be sold after an open auction;
 - (b) was prepared to make an initial bid of at least \$15 million, with a view to actively participating in the ensuing auction;
 - (c) would immediately donate the Charter to a suitable Canadian institution if it is the successful purchaser; and
 - (d) intended to commit at least \$2 million to a chosen donee institution to support consultation with Indigenous groups, collaborations with museums, archives, and other cultural institutions, and the sharing of the Charter across Canada to maximize public access, as long as the Charter, in the opinion of qualified experts, is not physically jeopardized in the process.
- 1.10 The Association for Manitoba Archives also served on the service list a letter addressed to the Monitor, among other things, expressing concerns regarding the pending sale of the Charter and arguing that the Charter should be housed in the Archives for Manitoba.
- 1.11 On September 5, 2025, counsel to the Applicants informed the CCAA service list and the Art Service List (as defined below) that the September 9 Motion had been adjourned.
- 1.12 On September 19, 2025, the Applicants served a motion record returnable September 25, 2025, including the affidavit of Adam Zalev sworn the same date (the “**Zalev Art Affidavit**”), seeking an Order (the “**Art Auction Process Order**”), among other things:

- (a) approving the proposed process (the “**Art Collection Auction Procedures**”) for the auction of the Art Collection (the “**Art Collection Auction**”) in the form attached as Schedule “A” to the Art Auction Process Order, with such non-material amendments as the Applicants, Reflect, the Auctioneer and the Monitor may agree;
- (b) authorizing the Auctioneer to conduct the Art Collection Auction in accordance with the Art Collection Auction Procedures; and
- (c) vesting the individual Lots (as defined below) constituting the Art Collection in the Purchasers (as defined therein) at the Art Collection Auction free and clear of all claims and encumbrances.

1.13 On the same date, the Applicants served a motion record returnable September 29, 2025, also including an affidavit of the same date sworn by Adam Zalev (the “**Zalev Charter Affidavit**”, and together with the Zalev Art Affidavit, the “**Zalev Affidavits**”), seeking an Order (the “**Charter Auction Process Order**”), among other things:

- (a) approving the proposed process (the “**Charter Auction Process**”) for the auction of the Charter (the “**Charter Auction**”) in the form attached as Schedule “A” to the Charter Auction Process Order, with such non-material amendments as the Applicants, Reflect and the Monitor may agree; and
- (b) authorizing Reflect to conduct the Charter Auction in accordance with the Charter Auction Process.

Purpose of this Report

- 1.14 The purpose of this Ninth Report is to provide the Court with information and, where applicable, the Monitor's views on:
- (a) the Art Auction Process Order, which is being sought on September 25, 2025;
 - (b) the Charter Auction Process Order, which is being sought on September 29, 2025;
 - (c) the Applicants' cash flow results relative to the Applicants' cash flow forecast attached as Appendix "J" to the Seventh Report of the Monitor dated July 29, 2025 (the "**Seventh Report**");
 - (d) an update on certain employee matters;
 - (e) the activities of the Monitor since its Seventh Report; and
 - (f) the Monitor's conclusions and recommendations in connection with the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this Ninth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including senior management of, and advisors to, the Applicants (collectively, the "**Information**"). Except as otherwise described in this Ninth Report, in respect of the Applicants' cash flow forecast:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (the “CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “CPA Handbook”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and
 - (b) some of the information referred to in this Ninth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
- 2.2 Future oriented financial information referred to in this Ninth Report was prepared based on the estimates and assumptions of the Applicants. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections and even if the assumptions materialize, the variations could be significant.
- 2.3 This Ninth Report should be read in conjunction with the Zalev Affidavits. Capitalized terms used and not defined in this Ninth Report have the meanings ascribed in the Zalev Affidavits.
- 2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 ART AUCTION PROCESS ORDER

Background on Art Collection

- 3.1 As noted above, the A&R SISP Order provided for the removal of the Art Collection from the SISP, and approved the engagement of Heffel as Auctioneer to conduct a separate auction process in respect of the Art Collection at a future date.
- 3.2 In accordance with the A&R SISP Order, the Applicants and Reflect, in consultation with the Auctioneer, created a comprehensive list of the Art Collection and made it available to any interested party upon execution of a non-disclosure agreement (“**NDA**”). The Applicants also prepared a service list consisting of government entities, public institutions, Indigenous stakeholders, and other parties interested in the Art Collection (the “**Art Service List**”). The Applicants first sent a letter to the Art Service List on May 8, 2025, inviting parties to execute an NDA to receive access to the Art Collection catalogue and a virtual database managed by Reflect. The Art Service List has subsequently been used to provide updates to these parties. Approximately 14 of the parties executed the NDA.
- 3.3 The Company and Reflect have received many inquiries regarding the Art Collection and, in consultation with the Monitor, have engaged in numerous discussions with Indigenous groups, government institutions, museums, universities, high-net-worth individuals, and other stakeholders interested in the Art Collection from a cultural and/or historical perspective.
- 3.4 As discussed in the Prior Reports, a significant portion of the Company’s documents, records, and artifact collection was donated prior to these CCAA Proceedings. In particular,

the majority of the Company's documents and records were previously donated to the Hudson's Bay Company Archives, which forms part of the Archives of Manitoba, and the majority of the Company's artifact collection (primarily related to the fur trade and Indigenous culture) was donated to the Manitoba Museum in 1994.

3.5 The Monitor understands that the Art Collection currently comprises over 1,700 pieces of art and over 2,700 artifacts. As a result of the donations to the Manitoba Museum, only a small number of items of Indigenous origin remain in the Art Collection. The Company has recently identified a total of 24 artifacts in the Art Collection that are believed to be of Indigenous origin, potentially of Indigenous origin, or uniquely representative of Indigenous culture, including three artifacts of Indigenous origin currently on long-term loan at a museum. The Company intends to exclude these items from the Art Collection Auction, and with the assistance of Reflect and the Monitor, is in the process of consulting with relevant stakeholders and Indigenous communities to ensure these artifacts are returned or donated.

3.6 At the outset of these CCAA Proceedings, the Company's Art Collection also included four war memorials located in stores across Canada, along with two memorials held in storage. The Applicants do not intend to include the war memorials in the Art Collection Auction. The Company, with the assistance of Reflect and in consultation with the Monitor, has undertaken efforts to ensure appropriate, accessible future locations for these memorials in the cities in which they are currently located, and has engaged in discussions with Canadian institutions and veteran's associations to ensure the war memorials are donated and displayed appropriately.

Art Collection Auction Procedures

- 3.7 The Art Collection Auction Procedures have been developed by Reflect and Heffel, in consultation with the Applicants and the Monitor. As noted above, a comprehensive list of the Art Collection has been prepared, and Heffel has designated specific pieces to be featured in a live, in-person auction while designating others for inclusion in an online auction. Certain items of a lesser monetary value have also been excluded from the Art Collection Auction and have been earmarked for donation.
- 3.8 On September 3, 2025, Reflect wrote to the Art Service List to: (a) advise that the Art Collection Auction Procedures had been developed and were available to be reviewed by parties that had executed an NDA (the “**Interested Parties**”); and (b) request that Interested Parties contact Reflect or the Monitor with any feedback by no later than September 16, 2025, after which the Applicants intended to seek Court approval for same. The Applicants, the Monitor, and Reflect have not received any material feedback on the Art Collection Auction Procedures.
- 3.9 The Art Collection Auction is proposed to begin online on November 12, 2025, with a subsequent live, in-person auction at the Auction House, Heffel Gallery Limited in Toronto, occurring on or about November 19, 2025. The Auctioneer has determined that the interval between the approval hearing and the commencement of the Art Collection Auction is both necessary and suitable to facilitate a comprehensive marketing of the Art Collection, thereby ensuring optimal participation and attendance. In preparation, the Auctioneer will execute an extensive promotional campaign, providing prospective bidders with an opportunity to inspect individual lots available through the Art Collection Auction

(“**Lots**”), review detailed catalogues, and view digital images via Heffel.com. Both physical and virtual catalogues will be distributed to enhance accessibility and engagement.

3.10 The Art Collection Auction will be conducted pursuant to the Art Collection Auction Procedures, which specify the terms applicable to seller commissions, auction formats, expenses, and fees for consigned items across both live and online auctions. The Auctioneer will be exclusively responsible for marketing and event expenses, while consulting with Reflect, the Applicants, and the Monitor to align promotional strategies with the cultural and historical significance of the Art Collection. Interested bidders may register through Heffel.com, and a summary of the eligibility guidelines and participation requirements will be made available. A summary of the guidelines governing eligibility and auction participation is provided in the Zalev Art Affidavit and reproduced below:

- (a) any party who wishes to become a registered bidder (“**Registered Bidder**”) will be required to complete the registration process and provide the required information to the Auction House in full;
- (b) upon becoming a Registered Bidder, the party will be assigned a unique paddle number (the “**Paddle**”) for the purpose of bidding on Lots in the auction. For online auctions, a password will be created in addition to a Paddle;
- (c) items selected for the live auction shall be offered subject to reserve prices. For items included in the online auction, such Lots may be sold without reserve. Heffel reserves the right to combine multiple items into single Lots for the online auction. In order to maximize bidder participation and market exposure, one or more online auctions will

be scheduled over a period of several weeks, with each auction to be curated to appeal to a wide range of prospective bidders;

- (d) subject to approval of the Court, each Lot will be sold on an “as-is, where is” basis, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests;
- (e) the winning bidder for each Lot will be the Registered Bidder whose bid is recognized by the Auctioneer as the highest at the moment the Lot is sold (the “**Buyer**”);
- (f) each Buyer is required to remit the full purchase price, including the Buyer’s Premium (as defined therein) and any applicable sales tax, to the Auction House by 4:30 PM (ET) on the seventh day after the auction. Upon receipt of payment, the Lot and its associated title will be released or delivered to the Buyer; and
- (g) Heffel’s commissions and expenses are documented in its engagement letter, which was previously approved by this Court.

3.11 The Art Auction Process Order provides that the net proceeds of sale of the Art Collection Auction shall be held by the Monitor pending further order of the Court or distribution to the FILO Agent. Given that amounts owing to the FILO Lenders under the FILO Credit Facility are secured by a first-priority security interest over many of the Applicants’ assets, including all inventory, FF&E, intellectual property, art, and artifacts (including the Art Collection), based on current circumstances and subject to Court approval and the closing of the sales of the Art Collection, the Monitor supports a distribution being made to the FILO Agent on behalf of the FILO Lenders from the net proceeds of the sales of the Art

Collection. To the extent facts and circumstances at the relevant time require that some or all of such net proceeds be retained by the Monitor as a reserve, the Monitor will discuss that with the FILO Agent as soon as practicable.

3.12 The Monitor respectfully recommends that this Court approve the Art Auction Process Order given that, among other things:

- (a) the Art Collection Auction will be conducted by Heffel, an experienced art auctioneer that was previously approved in the A&R SISP Order, and the Art Collection Auction Procedures provide for a process that will allow the Applicants to maximize the value of the Art Collection in a fair and reasonable manner;
- (b) the Art Collection Auction Procedures will respect the cultural and historical significance of the Art Collection, and certain art and artifacts will be excluded from same and have been earmarked for donation;
- (c) the Art Collection Auction Procedures have been available for interested parties to review since September 3, 2025, and no party has provided material feedback; and
- (d) the Monitor does not believe the granting of the Art Auction Process Order will materially prejudice any of the Applicants' stakeholders.

4.0 CHARTER AUCTION PROCESS ORDER

Background on the Charter and September 9 Motion

4.1 Hudson's Bay, which until these proceedings was the oldest continually-operating company in North America, was established in 1670 by Royal Proclamation of King

Charles II pursuant to the Charter. The Charter is not just Hudson's Bay's originating document; it is a foundational document to Canada's historical narrative broadly and is of great importance to Indigenous groups.

- 4.2 Prior to these proceedings, the Charter was stored in a protective case at the Company's head office in Toronto. Recently, the Applicants, with the assistance of Reflect and under the supervision of the Monitor, relocated the Charter to a secure facility equipped to store and protect important documents, art and artifacts. The Applicants intend for the Charter to remain in that secure facility until the Charter is conveyed to a bidder in connection with the Charter Auction.
- 4.3 The Applicants had originally intended to include the Charter in the Art Collection Auction. However, following receipt of the Wittington Offer and consultation with the Monitor, Reflect and the Auctioneer, and with the consent of the FILO Agent, on July 26, 2025, the Applicants withdrew the Charter from the Art Collection Auction. As noted above, the Applicants served motion materials on July 30, 2025, in support of their motion seeking approval of the Charter Transaction with Wittington on September 9, 2025.
- 4.4 As noted above, the Phillips Affidavit was served on the service list on August 21, 2025. Among other things, DKRT's bid as described in the Phillips Affidavit represented an increase of \$2.5 million above the Wittington Offer, included a commitment to donate the Charter to a public institution, and committed to endow a minimum of \$2 million to the chosen donee institution to support consultation with Indigenous groups, collaborations with cultural institutions, and the sharing of the Charter across Canada to maximize public access.

- 4.5 After reviewing the Phillips Affidavit on August 21, 2025, and subsequently receiving expressions of interest from additional parties, the Applicants, in consultation with Reflect, the Monitor, the FILO Lenders, and Pathlight, ultimately determined that a competitive process for the Charter, with certain Court-approved participation requirements, was more appropriate in the circumstances.
- 4.6 The Monitor understands that Reflect and counsel to the Applicants engaged in discussions with the advisors for DKRT and Wittington regarding the possibility of an auction for the Charter. Further, the Applicants, in consultation with the Monitor, subsequently obtained a binding commitment letter dated September 9, 2025, from DKRT (the “**DKRT Commitment Letter**”) to: (a) participate in any Court-approved process; and (b) submit an opening bid of no less than \$15 million on terms consistent with those set out in the Phillips Affidavit.
- 4.7 On September 5, 2025, the Applicants informed the CCAA service list and the Art Service List that the September 9 Motion had been adjourned. Counsel to the Monitor reached out to the Association for Manitoba Archives to discuss its opposition to the Wittington Offer on September 9, 2025. The Monitor understands that the Association for Manitoba Archives would not oppose the bid described by DKRT in the Phillips Affidavit. The Monitor advised the Association of Manitoba Archives that a motion would be served in respect of the Charter Auction in the near term, and that the Monitor was available to discuss any further concerns after that motion record was served.
- 4.8 On September 19, 2025, the Applicants served the motion in support of the Charter Auction Process Order.

Charter Auction²

- 4.9 The Applicants, in consultation with Reflect, the FILO Lenders, Pathlight, and the Monitor, have since developed an auction process to govern the sale of the Charter. The goal of that process is to maximize value, while balancing the need to safeguard the Charter and ensure it is preserved in a publicly-accessible manner that respects its historical significance.
- 4.10 The Charter Auction Procedures contemplate that the Charter Auction will take place on or about October 15, 2025, and that Interested Potential Bidders will submit Bid Proposals to Reflect and the Monitor by no later than 5:00 p.m. on October 7, 2025.
- 4.11 The Charter Auction Procedures provide various requirements for a Potential Bidder to be classified as a Qualified Bidder. Only Qualified Bidders may participate in the Charter Auction.
- 4.12 To be classified as a Qualified Bidder, a Potential Bidder must submit an executed confidentiality agreement, provide their identity and contact details, and commit to bidding at least \$15 million. Qualified Bidders are also required to acknowledge the Charter's status as protected cultural property under Canadian law and commit to acquiring it for their own account, with a promise to permanently donate it to a Canadian public institution or museum acceptable to Reflect and the Monitor. The Canadian public institution or museum chosen as donee will be required to share the Charter with other Canadian public institutions and Indigenous groups pursuant to arrangements developed through a consultation process. Additional requirements include outlining donation terms, supplying

² Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Charter Auction Process.

a letter from the recipient institution confirming acceptance, agreeing to cover all handling and moving expenses, demonstrating authority to complete the purchase, confirming that registration is non-transferable and payment matches bidder details, and attesting that the funds used are not proceeds of crime under the Canadian *Criminal Code*.

4.13 The Charter Auction Procedures are summarized in the Zalev Charter Affidavit. Among other things, the Charter Auction Procedures provide that:

- (a) bid increments at the Charter Auction shall be set by Reflect, in consultation with the Monitor, at the commencement of the Charter Auction and from time to time thereafter and communicated to the Qualified Bidders;
- (b) all bids made at the Charter Auction shall remain irrevocable and binding on the Qualified Bidder until the later of such Qualified Bidder submitting a higher bid and closing of the sale of the Charter. All bids shall be communicated to the Charter Auction participants, and the Monitor shall maintain a summary of all bids made and announced at the Charter Auction;
- (c) Reflect, with the consent of the Monitor, may waive any of the rules set forth therein and/or announce and employ additional rules at the Charter Auction, provided that such rules are: (i) not inconsistent with the Charter Auction Process Order; (ii) disclosed to each Qualified Bidder; and (iii) designed, in Reflect's business judgement, to result in the highest and/or otherwise best Successful Bid;
- (d) each Qualified Bidder participating in the Charter Auction must confirm at the commencement and again at the conclusion of the Charter Auction, that it has not

engaged in any concerted action with any other Qualified Bidder: (i) without the consent of Reflect and the Monitor; and (ii) that has been disclosed to all other Qualified Bidders;

- (e) Reflect, in consultation with the Monitor, shall determine when the Charter Auction has concluded. The Qualified Bidder who submitted the highest bid during the Charter Auction shall be the Successful Bidder; and
- (f) no bids submitted after the announced conclusion of the Charter Auction will be considered.

4.14 DKRT has already been designated as a Qualified Bidder based on the DKRT Commitment Letter.

4.15 Following the conclusion of the Charter Auction, the Applicants will return to Court to seek approval of the proposed sale, in accordance with the Charter Auction Process and any further direction of the Court.

4.16 The Charter Auction Process Order provides that the net proceeds of sale of the Charter Auction shall be held by the Monitor pending further order of the Court or distribution to the FILO Agent. The Monitor supports a distribution being made to the FILO Agent on behalf of the FILO Lenders from the net proceeds of the sale of the Charter on the same basis as it is supportive of such a distribution being made from the proceeds of the sale of the Art Collection. To the extent facts and circumstances at the relevant time require that some or all of such net proceeds be retained by the Monitor as a reserve, the Monitor will discuss that with the FILO Agent as soon as practicable.

4.17 The Monitor respectfully recommends that this Court approve the Charter Auction Process Order given that, among other things:

- (a) the Charter Auction Process will provide for an open and transparent sale of the Charter during the Charter Auction in a value-maximizing manner;
- (b) the Charter Auction Process was designed with the Charter's unique cultural and historical importance in mind, and contains appropriate safeguards to ensure, among other things, that the Charter remains in Canada and will be made publicly-accessible;
- (c) the DKRT Commitment Letter ensures that, even if no new bids are received, appropriate value will be achieved and the Charter will be donated to a public institution and additional funds have been committed to be provided to the donee institution to support consultation with Indigenous groups, collaborations with cultural institutions, and the sharing of the Charter across Canada to maximize public access; and
- (d) the Monitor does not believe the granting of the Charter Auction Process Order will materially prejudice any of the Applicants' stakeholders.

5.0 UPDATE ON EMPLOYEE MATTERS

5.1 On June 3, 2025, this Court granted an Order, among other things, declaring that the Applicants met the criteria under section 3.2 of the *Wage Earner Protection Program Regulations* effective June 21, 2025, pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*.

- 5.2 The Monitor has continued to work closely with the Applicants, Ursel Phillips Fellows Hopkinson LLP, in its capacity as the Court-appointed representative counsel for certain employees (“**Employee Representative Counsel**”), and Service Canada to facilitate the implementation of the Wage Earner Protection Program (“**WEPP**”) claims process and to ensure employees are able to access their entitlements in an efficient and timely manner.
- 5.3 As described in the Seventh Report, information packages (the “**Information Package**”) were prepared to provide former employees with the information necessary to submit their WEPP application to Service Canada. Each Information Package contained a formal WEPP notice, a frequently asked questions document, a proof of claim form, and an individualized claim summary of eligible claims owing to the applicable employee (which estimates were prepared by the Monitor with the assistance of the Company). As further described in the Seventh Report, the Monitor is required to prepare and submit a Trustee Information Form (“**TIF**”) before Service Canada can process an employee’s application.
- 5.4 Since the date of the Seventh Report, the Information Package was finalized and approximately 8,500 packages were mailed to all eligible former employees of the Company. The Monitor has spent considerable time corresponding with former employees to assist them with their WEPP applications and answering their queries. In addition, if a package was determined to be undelivered, the Monitor has attempted to e-mail the package to the intended recipient.
- 5.5 The Monitor has held regular discussions with both Employee Representative Counsel and Service Canada with respect to the WEPP materials being provided to employees, and the timing of the WEPP process. As part of these discussions, Service Canada has granted the

Monitor an extension to submit all TIFs from September 30, 2025, to October 31, 2025. Accordingly, employees now have until December 26, 2025, to submit their applications to Service Canada, which represents 56 days from October 31, 2025.

- 5.6 As of the date of this Ninth Report, approximately 6,100 TIFs have been submitted by the Monitor to Service Canada, representing 72% of the total. The Monitor expects to have all TIFs submitted to Service Canada by early October.

6.0 CASH FLOW RESULTS RELATIVE TO FORECAST³

- 6.1 Actual receipts and disbursements for the eight-week period from July 19 to September 12, 2025 (the “**Reporting Period**”), as compared to the cash flow forecast attached as **Appendix “J”** to the Seventh Report, are summarized in the following table:

³ Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the First Report of the Monitor dated March 16, 2025.

Cash Flow Variance Report			\$000's
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Receipts			
Lease Monetization Process Proceeds	7,078	7,045	33
Other Receipts	2,324	-	2,324
Total Receipts	9,402	7,045	2,357
Disbursements			
Payroll & Benefits	(2,459)	(3,873)	1,414
Occupancy Costs	(7,712)	(7,404)	(308)
Operating Expenses	(4,164)	(10,850)	6,686
Store Closure & Exit Costs	(4,017)	(10,863)	6,845
Sales Tax Remittances	(4,130)	(4,250)	120
Consultant Fees & Expenses	(1,000)	(1,280)	280
Professional Fees	(12,442)	(11,793)	(649)
Shared Service Payments	(747)	(4,554)	3,807
Interest Payments & Fees	(1,572)	(1,529)	(43)
Total Disbursements	(38,243)	(56,396)	18,153
Net Cash Flow	(28,841)	(49,351)	20,510
Opening Cash Balance	82,034	82,026	8
Net Cash Flow	(28,841)	(49,351)	20,510
FILO Credit Facility Paydown	(7,125)	(7,025)	(100)
Closing Cash Balance	46,068	25,650	20,418

6.2 Pursuant to paragraph 22(c) of the Court's endorsement in these proceedings dated March 29, 2025, the Monitor is required to advise the Court if, at any time, actual results vary as compared to the applicable Cash Flow Forecast by 15% or more. Since the filing of the applicable Cash Flow Forecast, the Monitor notes that, on a net cash flow basis, actual cash flow results have not negatively varied from the applicable Cash Flow Forecast.

6.3 Explanations for the variances during the Reporting Period are as follows:

- (a) the positive variance in other receipts of \$2.3 million relates to: (i) the return of post-filing vendor deposits of \$1.8 million; (ii) interest earned on cash balances held in the Company's bank accounts of \$386,000; and (iii) gross proceeds from the closing of

the sale of Zellers intellectual property of \$113,000. These receipts were not included in the forecast and are permanent positive variances.

- (b) the positive variance in payroll and benefits of \$1.4 million is comprised primarily of approximately \$1.2 million in positive timing variances, related to outstanding arrears owed to HBC India, an affiliated entity, for personnel providing support and administrative services to the Company, as well as forecast KERP and retention payments that have not yet been paid. The remaining positive variance is permanent resulting from approximately \$0.2 million of payroll reimbursements received from the pension administrator for payroll costs incurred by the Company for employees assisting directly with pension related matters.
- (c) the positive variance in store closure and exit costs of approximately \$6.8 million is a timing variance, as FF&E removal and record destruction work continues to advance, while store signage removal work remains on pause at the request of the FILO Agent;
- (d) the negative variance in professional fees of approximately \$649,000 is considered a permanent variance;
- (e) the positive variance in shared service payments of \$3.8 million is a timing variance relating to ongoing reconciliations for services incurred during June, July and August that have not yet been paid; and
- (f) the remaining net positive variance in total disbursements of approximately \$6.7 million is comprised of: (i) a positive permanent variance of approximately \$3.0

million due to lower than forecast operating and insurance expenses; and (ii) a positive timing variance of approximately \$3.7 million due to timing differences in certain operating expenses. The Monitor anticipates that this timing variance will reverse as the Company continues to receive invoices and related reconciliations from vendors for post-filing services.

6.4 During the Reporting Period and in accordance with the Stay Extension and Distribution Order dated May 13, 2025, which authorized distributions to be made to the FILO Agent in respect of amounts owing under the FILO Credit Facility (excluding the “Make-Whole”) (each as defined in the Third Report of the Monitor dated May 9, 2025), the Company made the following distributions:

- (a) on August 1, 2025, the Monitor transferred \$2.0 million to the Company from the \$6.0 million of funds held in trust in respect of the proceeds from the closing of the Affiliate Lease Assignment Transaction (as defined in the Fifth Report of the Monitor dated June 19, 2025). The funds transferred to the Company represent proceeds related to the lease in which the FILO Agent held a first-ranking priority charge. Upon receipt of these funds, the Company distributed \$2.0 million to the FILO Agent as an interim distribution;
- (b) on August 7, 2025, concurrent with the closing of the sale of Zellers brand intellectual property, the Company distributed the net proceeds of \$100,000 (i.e. the process net of HST) to the FILO Agent as an interim distribution; and

(c) on August 8, 2025, concurrent with the closing of the YM Transactions (as defined in the Seventh Report), the Company distributed gross proceeds of \$5.025 million to the FILO Agent as an interim distribution.

6.5 The principal balance owing to the FILO Lenders under the FILO Credit Facility, after accounting for the distributions noted above and excluding the Make-Whole, is approximately \$57.1 million.

6.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately \$20.5 million, before considering the distributions to the FILO Agent. The closing cash balance as of September 12, 2025, was approximately \$46.1 million, as compared to the projected cash balance of \$25.7 million.

6.7 As noted above, the Monitor is holding the remaining proceeds from the closing of the Affiliate Lease Assignment Transaction of \$4.0 million in trust (received on June 26, 2025). These funds are incremental to the Company's closing cash balance as of September 12, 2025.

7.0 ACTIVITIES OF THE MONITOR

7.1 Since the granting of the Initial Order on March 7, 2025, the Monitor has worked closely with the Applicants to assist in stabilizing its business and operations. As summarized in the Prior Reports and below, this has included concerted efforts to address urgent operational and logistical issues essential to the orderly liquidation of inventory and FF&E at each of the stores, extensive communications with stakeholders, as well as assisting with

other activities essential to the Liquidation Sale, the Lease Monetization Process and the SISP.

7.2 Since the date of the Seventh Report, the primary activities of the Monitor and its counsel, Bennett Jones LLP, have included the following:

- (a) continuing to assist in discussions and negotiations with key service providers to facilitate ongoing service and/or termination of services, and to reconcile and settle all outstanding post-filing obligations;
- (b) monitoring cash receipts and disbursements and coordinating with management in preparing weekly cash flow variance reporting; communicating with the FILO Lenders and its financial advisor in respect of ongoing variance reporting, and responding to related information requests and questions; and communicating with Pathlight in respect of ongoing variance reporting, and responding to related information requests and questions;
- (c) preparing the Confidential Secured Lender Recovery Waterfall Analysis;
- (d) working with the Applicants and Saks Global on shared services cost allocations, negotiating the draft shared service agreement, coordinating the level of support necessary to advance workstreams anticipated to generate future recoveries and properly administer remaining aspects of the wind-down, and reviewing/analyzing related supporting information and documentation;
- (e) participating in the contested motion for the assignment of the Subject Leases (as defined in the Monitor's Eighth Report dated August 20, 2025), including reviewing

materials filed in connection therewith; organizing and attending examinations; preparing the Eighth Report; and preparing for and participating in two-day hearing regarding same;

- (f) monitoring the concurrent receivership proceeding in respect of the JV Entities (as defined in the Fourth Report of the Monitor dated May 29, 2025) and coordinating with the Receiver of the JV Entities on various matters;
- (g) assisting Reflect in conducting the SISP as it pertains to the Art Collection, including participating in discussions and meetings with the auction services provider and other parties in respect of the Art Collection; and assisting Reflect in conducting the SISP as it pertains to the Charter, including participating in discussions and meetings with the auction service provider and other parties in respect of the Charter and developing the Charter Auction Process;
- (h) assisting the Applicants in vacating the stores and assessing and responding to the Applicants' requests for Monitor consents to notices to disclaim contracts, leases and agreements;
- (i) assisting the Applicants in assessing contracts and agreements to be disclaimed and responding to the Applicants' requests for Monitor consents to notices to disclaim such contracts and agreements;
- (j) assisting the Applicants in obtaining quotes from third-party contractors and coordinating the removal of FF&E;

- (k) working with the Applicants and Employee Representative Counsel to advance employee issues arising during the CCAA Proceedings and liaising with the Applicants, Employee Representative Counsel and Service Canada in relation to the WEPP process;
- (l) preparing estimates of eligible employee claims that may be owed to individual employees under WEPP, preparing and mailing Information Packages sent to former employees, and submitting TIFs on behalf of each of the former employees for WEPP purposes;
- (m) working with the Applicants and their counsel to develop a process to address the pension surplus;
- (n) responding to a high volume of enquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number or email account established for the case by the Monitor;
- (o) posting non-confidential materials filed with the Court to the Case Website; and
- (p) with the assistance of Bennett Jones, preparing this Ninth Report.

8.0 CONCLUSIONS AND RECOMMENDATIONS

8.1 For the reasons set out in this Ninth Report, the Monitor respectfully recommends that this Court grant the relief sought by the Applicants.

All of which is respectfully submitted to the Court this 22nd day of September, 2025.

**Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Greg A. Karpel
Senior Vice-President

APPENDIX B
Updated Charter Auction Process Order

See attached.

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

THE HONOURABLE MR.)	FRIDAY, THE 21 ST DAY
)	
JUSTICE OSBORNE)	OF NOVEMBER, 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
1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C.
LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608
B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.**

**ORDER
(Approval of Charter Auction Process)**

THIS MOTION, made by 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI), 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2745263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order approving the process for the Charter Auction (the "**Charter Auction Process**") attached as **Schedule "A"** hereto, was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the Affidavits of Adam Zalev sworn July 30, 2025, and September 19, 2025 (the "**Seventh Zalev Affidavit**"), and the Exhibits thereto, the Supplemental Affidavit of Adam Zalev dated November 14, 2025, and the Exhibits thereto (the "**Supplemental Zalev Affidavit**"), the Ninth Report of Alvarez & Marsal Canada Inc., in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), dated September 22, 2025, the Supplemental Ninth Report of the Monitor dated November [●], 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 September 22, 2025, and November [●], 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 Seventh Zalev Affidavit, the Supplemental Zalev Affidavit, the Charter Auction Process, or the Amended and Restated Initial Order granted by this Court on March 21, 2025, as applicable.

APPROVAL OF CHARTER AUCTION PROCESS

3. **THIS COURT ORDERS** that the Charter Auction Process (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, Reflect Advisors, LLC (“**Reflect**”) and the Monitor are hereby authorized and directed to implement the Charter Auction Process pursuant to its terms and the terms of this Order. The Applicants, Reflect 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 Charter Auction Process and the Charter Auction contemplated therein in accordance with the terms of the Charter Auction Process and this Order.

4. **THIS COURT ORDERS** that no Potential Bidder or Qualified Bidder shall: directly or indirectly, including through any affiliate or representative, (a) discuss the Charter Auction Process or any bid, with any other person, including a Potential Bidder or Qualified Bidder; (b) cooperate with any other person, including a Potential Bidder or Qualified Bidder, with respect to any bid, potential bid or decision not to bid; (c) offer to any person, including any Potential Bidder, Qualified Bidder, financing source, investor, prospective co-purchaser, co-investor or joint venture participant, any position (debt, equity, co-purchaser, co-investor, joint venture or otherwise) or other form of direct or indirect participation in the Charter Auction Process or the acquisition of the Charter; or (d) act as a broker for or representative of any other person in connection with the Charter Auction Process or the acquisition of the Charter, and shall not solicit, initiate, encourage, discourage, facilitate, or participate in any communications,

discussions, meetings, negotiations, understandings, proposals, indications of interest, consortiums, club bids, teaming arrangements, or alliances with any other person, including a Potential Bidder or Qualified Bidder regarding the Charter Auction Process or the acquisition of the Charter, in each case without the prior written consent of the Applicants and the Monitor; provided however that the Joint Bidders may discuss, cooperate and participate in any communications, discussions, meetings, negotiations, understanding, proposals, with any other participant in the Opening Bid including the Public Custodians, the National Centre for Truth and Reconciliation and the other supporters named in the Opening Bid without restriction.

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 and to their advisors, but only to the extent required to provide information with respect to the Charter Auction Process in these proceedings.

6. **THIS COURT ORDERS** that notwithstanding anything contained in this Order or in the Charter Auction Process, neither Reflect nor the Monitor shall take Possession of the Charter or be deemed to take Possession of the Charter.

7. **THIS COURT ORDERS** that the net proceeds of sale of the Charter Auction shall be held by the Monitor pending further order of the Court or distribution to the FILO Agent.

GENERAL

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 powers and duties under the Charter Auction Process.

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

10. **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.

11. **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.

12. **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.

SCHEDULE “A”

Charter Auction Process

Introduction

On March 7, 2025, 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**"), 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2745263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**")¹ obtained an initial order, as may be amended from time to time, under the *Companies' Creditors Arrangement Act* from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Alvarez & Marsal Canada Inc. was appointed by the Court as the monitor of the Applicants (the "**Monitor**").

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

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

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

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

Participation Requirements

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

¹ The previous names of the Applicants were as follows: Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. Pursuant to the Amendment to the Approval and Vesting Order (Canadian Tire APA) dated June 23, 2025, the Court authorized the former names of the Applicants to be deleted and replaced with the new legal names of the Applicants. The new legal names, effective as of August 12, 2025, are as follows: 1242939 B.C. Unlimited Liability Company, 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2745263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "Applicants").

- (b) The identity of the Potential Bidder, the contact information for the Potential Bidder and full disclosure of the principals of the Potential Bidder;
 - (c) A commitment (in form and substance satisfactory to Reflect and the Monitor) to bid no less than \$18.5 million at the Charter Auction;
 - (d) An acknowledgement that the Charter is of outstanding significance and of high national importance and is protected under the Canadian *Cultural Property Export and Import Act*;
 - (e) Confirmation that the Potential Bidder is considering the acquisition of the Charter for its own account and a commitment to permanently donate the Charter to one or more Canadian public institutions with the ability to preserve cultural property for the long term and make it accessible to the public through exhibitions, programming, publication, research, or online, and which includes a museum or archives (a “**Public Institution**”) immediately after closing of the purchase of the Charter;
 - (f) Details of the terms of the donation, including the amount, if any, the Potential Bidder will donate to the proposed Public Institution to support a consultation process, sharing of the Charter, or other Charter-related activities;
 - (g) A letter from the Public Institution to which the Charter is proposed to be donated indicating it will accept the donation and the terms thereof, including the Public Institution’s capacity to ensure the continued preservation of the Charter, the Public Institution’s plan to conduct a consultation process with respect to sharing the Charter with other Public Institutions and Indigenous groups, and the Public Institution’s plans for the Charter while consultations are ongoing;
 - (h) Confirmation that the Potential Bidder will bear all costs associated with moving and handling the Charter at the conclusion of the Charter Auction Process and delivering it to the selected Public Institution, if the Potential Bidder is the Successful Bidder (as defined below);
 - (i) Confirmation that the Potential Bidder has all requisite authority to participate in the Charter Auction Process and close the purchase of the Charter;
 - (j) Confirmation that registration as a Qualified Bidder (as defined below) is non-transferable and that payment to the Company must reflect the billing name and address of the Potential Bidder;
 - (k) An attestation that the Charter will not be funded through monies acquired or derived from, or that constitute, “proceeds of crime”, as defined under the Canadian *Criminal Code*; and
 - (l) Confirmation that the Potential Bidder attorns to the jurisdiction of the Court over the Charter Auction Process and the Charter Auction.
2. The foregoing requirements shall not apply to Wittington Investments Limited and DKRT Family Corp. who shall be deemed to be a “Qualified Bidder” on the basis of their Joint Bid and Binding Commitment delivered to Reflect on November 14, 2025.

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

Charter Auction Process

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

Obtaining Court Approval

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

Closing

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

Schedule "A"
Address for Notices and Deliveries

To the Monitor

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

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

Counsel to the Court-appointed Monitor

To the Financial Advisor

Reflect Advisors, 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
(Charter Auction Process)

STIKEMAN ELLIOTT LLP

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Lawyers for the Applicants

APPENDIX C
Redline of Updated Charter Auction Process Order to Charter Auction Process Order
included in September 19 Motion Record

See attached.

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

THE HONOURABLE MR.) ~~MONDAY~~FRIDAY, THE
JUSTICE OSBORNE) ~~29TH~~21ST DAY
OF
~~SEPTEMBER~~NOVEMBER, 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
1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C.
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B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.**

**ORDER
(Approval of Charter Auction Process)**

THIS MOTION, made by 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI), 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2745263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order approving the process for the Charter Auction (the "**Charter Auction Process**") attached as **Schedule "A"** hereto, was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the Affidavits of Adam Zalev sworn July 30, 2025, and September 19, 2025 (the "**Seventh Zalev Affidavit**"), and the Exhibits thereto, the Supplemental Affidavit of Adam Zalev dated November 14, 2025, and the Exhibits thereto (the "**Supplemental Zalev Affidavit**"), the Ninth Report of Alvarez & Marsal Canada Inc., in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), dated September 22, 2025, the Supplemental Ninth Report of the Monitor dated November [●], 2025 ~~(the "**Ninth Report**")~~, 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 September [22, 2025, and November \[●\], 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 Seventh Zalev Affidavit, the [Supplemental Zalev Affidavit, the](#) Charter Auction Process, or the Amended and Restated Initial Order granted by this Court on March 21, 2025, as applicable.

APPROVAL OF CHARTER AUCTION PROCESS

3. **THIS COURT ORDERS** that the Charter Auction Process (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, Reflect Advisors, LLC ("**Reflect**") and the Monitor are hereby authorized and directed to implement the Charter Auction Process pursuant to its terms and the terms of this Order. The Applicants, Reflect 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 Charter Auction Process and the Charter Auction contemplated therein in accordance with the terms of the Charter Auction Process and this Order.

4. **THIS COURT ORDERS** that no Potential Bidder or Qualified Bidder shall: directly or indirectly, including through any affiliate or representative, (a) discuss the Charter Auction Process or any bid, with any other person, including a Potential Bidder or Qualified Bidder; (b) cooperate with any other person, including a Potential Bidder or Qualified Bidder, with respect to any bid, potential bid or decision not to bid; (c) offer to any person, including any Potential Bidder, Qualified Bidder, financing source, investor, prospective co-purchaser, co-investor or joint venture participant, any position (debt, equity, co-purchaser, co-investor, joint venture or otherwise) or other form of direct or indirect participation in the Charter Auction Process or the acquisition of the Charter; or (d) act as a broker for or representative

of any other person in connection with the Charter Auction Process or the acquisition of the Charter, and shall not solicit, initiate, encourage, discourage, facilitate, or participate in any communications, discussions, meetings, negotiations, understandings, proposals, indications of interest, consortiums, club bids, teaming arrangements, or alliances with any other person, including a Potential Bidder or Qualified Bidder regarding the Charter Auction Process or the acquisition of the Charter, in each case without the prior written consent of the Applicants and the Monitor; provided however that the Joint Bidders may discuss, cooperate and participate in any communications, discussions, meetings, negotiations, understanding, proposals, with any other participant in the Opening Bid including the Public Custodians, the National Centre for Truth and Reconciliation and the other supporters named in the Opening Bid without restriction.

5. ~~4.~~ **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 and to their advisors, but only to the extent required to provide information with respect to the Charter Auction Process in these proceedings.

6. ~~5.~~ **THIS COURT ORDERS** that notwithstanding anything contained in this Order or in the Charter Auction Process, neither Reflect nor the Monitor shall take Possession of the Charter or be deemed to take Possession of the Charter.

7. ~~6.~~ **THIS COURT ORDERS** that the net proceeds of sale of the Charter Auction shall be held by the Monitor pending further order of the Court or distribution to the FILO Agent.

GENERAL

8. ~~7.~~ **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 Charter Auction Process.

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

10. ~~9.~~ **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.

11. ~~10.~~ **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.

12. ~~11.~~ **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.

SCHEDULE "A"

Charter Auction Process

Introduction

On March 7, 2025, 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**"), 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2745263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**")¹ obtained an initial order, as may be amended from time to time, under the *Companies' Creditors Arrangement Act* from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Alvarez & Marsal Canada Inc. was appointed by the Court as the monitor of the Applicants (the "**Monitor**").

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

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

On April 24, 2025, the Court approved an amended and restated SISP Order, which, among other things: ~~(a) removed the Art Collection (as defined therein) Charter from the property available for sale pursuant to the SISP; and (b) approved the engagement of Heffel Gallery Limited to conduct an auction of the Art Collection, subject to appropriate protocols to be approved by the Court after consultation with relevant stakeholders.~~

~~On July 26, 2025, the Applicants withdrew the Hudson's Bay Company Royal Charter of 1670 (the "**Charter**") from the Art Collection Auction to pursue an offer in respect of the Charter received from Wittington Investments Limited.~~

Pursuant to the Order of the Court dated ~~September [29]~~ November 21, 2025 (the "**Charter Auction Process Order**"), the Court approved the following process (the "**Charter Auction Process**"). The purpose of the Charter Auction Process is to conduct an auction of the Charter (the "**Charter Auction**"). The Charter Auction Process describes, among other things: (a) the process by which bidders may qualify to participate in the Charter Auction (as defined below); (b) the Charter Auction process; (c) the participation of the FILO Agent and the Pathlight Agent (each as defined in the Affidavit of Jennifer Bewley sworn March 7, 2025) (together, the "**Agents**"); (d) the process for obtaining approval of the Successful Bid (as defined below) by the Court; and ~~(e)~~ the process for closing the Successful Bid and transferring control of the Charter to the designated ~~qualifying institution~~ Public Institution (as defined below), as defined in the participation requirements.

¹ The previous names of the Applicants were as follows: Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. Pursuant to the Amendment to the Approval and Vesting Order (Canadian Tire APA) dated June 23, 2025, the Court authorized ~~that the former~~ names of the Applicants ~~shall to~~ be deleted and replaced with the new legal names of the Applicants. The new legal names, effective as of August 12, 2025, are as follows: 1242939 B.C. Unlimited Liability Company, 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2745263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "Applicants").

Participation Requirements

1. Any party that wishes to participate in the Charter Auction (each person, a “**Potential Bidder**”) must deliver to Reflect, with a copy to the Monitor, at the addresses specified in Schedule “A” hereto (including by email) by no later than 5:00p.m. Eastern Time on ~~October [7]~~November 28, 2025, the following information (together, a “**Bid Proposal**”):
 - (a) ~~(i)~~-An executed confidentiality agreement in the form provided by Reflect (~~unless already provided~~the “Confidentiality Agreement”);
 - (b) ~~(ii)~~-The identity of the Potential Bidder, the contact information for the Potential Bidder and full disclosure of the principals of the Potential Bidder;
 - (c) ~~(iii)~~-A commitment (in form and substance satisfactory to Reflect and the Monitor) to bid no less than \$~~15~~18.5 million at the Charter Auction;-
 - (d) ~~(iv)~~-An acknowledgement that the Charter is ~~cultural property and of outstanding significance and of high national importance and is~~ protected under the Canadian *Cultural Property Export and Import Act*;
 - (e) ~~(v)~~-Confirmation that the Potential Bidder is considering the acquisition of the Charter for its own account and a commitment to permanently donate the Charter to ~~a one or more~~ Canadian public ~~institution/museum~~institutions with the ability to preserve cultural property for the long term and make it accessible to the public through exhibitions, programming, publication, research, or online, and which includes a museum or archives (a “Public Institution”) immediately after closing of the purchase of the Charter;
 - (f) ~~(vi)~~-Details of the terms of the donation, including the amount, if any, the Potential Bidder will donate to the proposed Public Institution to support a consultation process, sharing of the Charter, or other Charter-related activities;
 - (g) ~~(vii)~~-A letter from the ~~Canadian public institution/museum~~Public Institution to which the Charter is proposed to be donated indicating it will accept the donation and the terms thereof, including the Public Institution’s capacity to ensure the continued preservation of the Charter, the Public Institution’s plan to conduct a consultation process with respect to sharing the Charter with other Public Institutions and Indigenous groups, and the Public Institution’s plans for the Charter while consultations are ongoing;
 - (h) ~~(viii)~~-Confirmation that the Potential Bidder will bear all costs associated with moving and handling the Charter at the conclusion of the Charter Auction Process ~~if it~~and delivering it to the selected Public Institution, if the Potential Bidder is the Successful Bidder (as defined below);
 - (i) ~~(ix)~~-Confirmation that the Potential Bidder has all requisite authority to participate in the Charter Auction Process and close the purchase of the Charter;
 - (j) ~~(x)~~-Confirmation that registration as a Qualified Bidder (as defined below) is non-transferable and that payment to the Company must reflect the billing name and address of the Potential Bidder;

- (k) ~~(xi)~~ An attestation that the Charter will not be funded through monies acquired or derived from, or that constitute, "proceeds of crime", as defined under the Canadian *Criminal Code*; and
- (l) ~~(xii)~~ Confirmation that the Potential Bidder ~~consents~~attorns to the jurisdiction of the Court over the Charter Auction Process and the Charter Auction.
2. The foregoing requirements shall not apply to Wittington Investments Limited and DKRT Family Corp. who shall be deemed to be a "Qualified Bidder" on the basis of ~~its binding bid~~their Joint Bid and Binding Commitment delivered to Reflect on ~~September 9~~November 14, 2025.
3. Reflect, in consultation with the Applicants~~and~~, the Monitor and the Agents (provided that the applicable Agent has irrevocably confirmed in writing that it and its principals will not submit or otherwise participate in a Bid Proposal), will review each Bid Proposal and determine prior to the Auction, whether the Potential Bidder constitutes a "Qualified Bidder" such that the Potential Bidder is qualified to participate in the Charter Auction. Evaluation of each Bid Proposal will include, but is not limited to:
- (a) The identity of the Potential Bidder and its ability to consummate the sale;
- (b) Confirmation that the Potential Bidder has committed to permanently donate the Charter to a ~~recognized Canadian public institution/museum~~Public Institution immediately after closing of the purchase of the Charter; and
- (c) The letter from the ~~public institution~~Public Institution to which the Charter is proposed to be donated indicating that it will accept such donation~~and~~, including:
- (a) ~~(i) Commit to conserve and preserve the physical integrity~~The Public Institution's capacity and/or plan to ensure the continued preservation of the Charter; ~~and~~
- ~~(ii) Commit to share the Charter with other Canadian public institutions and Indigenous groups pursuant to arrangements developed through a robust and extensive consultation process.~~
- (b) The Public Institution's commitment and plan to conduct a consultation process with respect to sharing the Charter with other Public Institutions and Indigenous groups; and
- (c) The Public Institution's plans for the Charter while consultations are ongoing.
4. ~~The Charter will not be available for viewing or inspection prior to the Charter Auction. However,~~ Reflect may provide a Potential Bidder and shall provide each Qualified Bidder who has executed the Confidentiality Agreement and requests a copy, with the following materials:
- (a) Scientific Examination of the Royal Charter of the Hudson's Bay Company for Hudson's Bay Company, Toronto, Ontario, Canada dated May 2, 2012. Report No. CSD 4887, CCI 122884;

- (b) Follow-up Examination of Hudson's Bay Company Charter wax seal for Hudson's Bay Company, Toronto, ON, dated June 28, 2013. CCI Number 125651;
- (c) Treatment Record re: Wax Seal dated June 18, 2015. CCI Number 128112;
- (d) Outgoing Condition Report: HBC Charter dated February 2019;
- (e) Condition Report dated January 4, 2022;
- (f) Condition Assessment & Packing Report dated June 25, 2025;
- (g) Charter Display Case User Maintenance Guide;
- (h) Images of each of the five ~~(5)~~ pages of the Charter; and
- (i) Transcript of the Charter.

Charter Auction Process

5. The Charter Auction will be implemented pursuant to the following process:

- (a) Reflect, in consultation with the Monitor and the Agents, shall determine the rules for and conduct the Charter Auction;
- (b) Only Qualified Bidders shall be entitled to participate in the Charter Auction;
- (c) Each Qualified Bidder will designate a single individual to be its sole authorized spokesperson during the Charter Auction;
- (d) The Charter Auction will commence no later than December 3, 2025, or such later date as agreed to by Reflect and the Monitor in consultation with the Agents, at a time and in a manner to be determined by Reflect in consultation with the Monitor and the Agents;
- (e) Bid increments at the Charter Auction shall be set by Reflect, in consultation with the Monitor, at the commencement of the Charter Auction and from time to time thereafter and communicated to the Qualified Bidders;
- (f) All bids made at the Charter Auction shall remain irrevocable and binding on the Qualified Bidder until the later of such Qualified Bidder submitting a higher bid and closing of the sale of the Charter. All bids shall be communicated to all Qualified Bidders participating in the Charter Auction. The Monitor shall maintain a summary of all bids made and announced at the Charter Auction;
- (g) Reflect, in consultation with the Agents and with the consent of the Monitor, may waive any of the rules set forth herein and/or announce and employ additional rules at the Charter Auction, provided that such rules are: (i) not inconsistent with

the Charter Auction Process Order; (ii) disclosed to each Qualified Bidder; and (iii) designed, in Reflect's business judgement, to result in the highest and/or otherwise best Successful Bid (the "Successful Bid" and the Qualified Bidder who made the Successful Bid shall become the "Successful Bidder");

- (h) Each Qualified Bidder participating in the Charter Auction must confirm at the commencement and again at the conclusion of the Charter Auction, that it has not engaged in any concerted action with any other person, including a Potential Bidder or a Qualified Bidder (i) without the consent of Reflect and the Monitor, and (ii) that has been disclosed to all other Qualified Bidders;
- (i) Reflect, in consultation with the Monitor and the Agents, shall determine when the Charter Auction has concluded. The Qualified Bidder who submitted the highest and best bid during the Charter Auction shall be the Successful Bidder; and
- (j) No bids submitted after the announced conclusion of the Charter Auction will be considered.

~~6. Reflect and the Monitor may consult with the FILO Lenders regarding the conduct of the Charter Auction Process.~~

Obtaining Court Approval

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

Closing

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

order of the Court.

10. ~~11.~~ The Successful Bidder shall bear all risks, costs and expenses associated with storing, securing, preserving, and handling the Charter following the closing, including all risks, costs and expenses associated with transferring the Charter from its storage location. The Applicants and Reflect shall cooperate with the Successful Bidder to coordinate delivery of the Charter.
11. ~~12.~~ Any dispute regarding the terms of the Charter Auction Process or the conduct of the Charter Auction shall be determined by the Court.

Schedule "A"
Address for Notices and Deliveries

To the Monitor

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

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

Counsel to the Court-appointed Monitor

To the Financial Advisor

Reflect Advisors, 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
(Charter Auction Process)**

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Lawyers for the Applicants

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF 1242939 B.C.
Unlimited Liability Company et al.

Court File No.: CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

SUPPLEMENT TO THE
NINTH REPORT OF THE MONITOR

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Counsel for Alvarez & Marsal Canada Inc., solely in its capacity
as Monitor and not in its personal or corporate capacity