



Court File No. CV-15-10832-00CL

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

THE HONOURABLE	)	THURSDAY, THE 11 <sup>TH</sup>
	)	
REGIONAL SENIOR JUSTICE	)	DAY OF JUNE, 2015
	)	
MORAWETZ	)	

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 TARGET CANADA CO., TARGET  
CANADA HEALTH CO., TARGET CANADA MOBILE GP  
CO., TARGET CANADA PHARMACY (BC) CORP., TARGET  
CANADA PHARMACY (ONTARIO) CORP., TARGET  
CANADA PHARMACY CORP., TARGET CANADA  
PHARMACY (SK) CORP., and TARGET CANADA  
PROPERTY LLC (collectively the "**Applicants**")

**CLAIMS PROCEDURE ORDER**

THIS MOTION, made by Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Monitor (the "**Monitor**") of the Applicants and the Partnerships listed on Schedule "A" (collectively, the "**Target Canada Entities**", and each individually a "**Target Canada Entity**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") for an order establishing a claims procedure for the identification and quantification of certain claims against (i) the Target Canada Entities and (ii) the current and former directors and officers of the Target Canada Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor and the Fifteenth Report of the Monitor (the "**Monitor's Fifteenth Report**"), and on hearing the submissions of respective counsel for the Monitor, the Target Canada Entities, Target Corporation and such other counsel

as were present, no one else appearing although duly served as appears from the Affidavit of Service of Jesse Mighton sworn June 5, 2015:

**SERVICE**

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.

**DEFINITIONS AND INTERPRETATION**

2. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated January 15, 2015 as further amended, restated, supplemented and/or modified from time to time (the “**Initial Order**”).

3. For the purposes of this Order the following terms shall have the following meanings:

- (a) “**Assessments**” means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
- (b) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

- (c) **“CCAA Proceedings”** means the CCAA proceedings commenced by the Target Canada Entities in the Court under Court File No. CV-15-10832-00CL;
- (d) **“Claim”** means:
  - (i) any right or claim of any Person against any of the Target Canada Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Target Canada Entities in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Target Canada Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any claim against any of the Target Canada Entities for indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors’ Charge (as defined in the Initial Order)) (each, a **“Prefiling Claim”**, and collectively, the **“Prefiling Claims”**);

- (ii) any right or claim of any Person against any of the Target Canada Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Target Canada Entity to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by such Target Canada Entity on or after the Filing Date of any contract, lease or other agreement whether written or oral (each, a “**Restructuring Period Claim**”, and collectively, the “**Restructuring Period Claims**”); and
- (iii) any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer (each a “**D&O Claim**”, and collectively, the “**D&O Claims**”),

provided however that in any case “**Claim**” shall not include an Excluded Claim, but for greater certainty, shall include any Claim arising through subrogation against any Target Canada Entity or Director or Officer;

- (e) “**Claimant**” means a Person asserting a Prefiling Claim or a Restructuring Period Claim (including in each case, for greater certainty, an Intercompany Claim) against the Target Canada Entities, or any of them, and a Person asserting a D&O Claim against any of the Directors or Officers of any of the Target Canada Entities;
- (f) “**Claims Bar Date**” means 5:00 p.m. on August 31, 2015;
- (g) “**Claims Officer**” means the individuals designated by the Court pursuant to paragraph 41 of this Order;
- (h) “**Claims Package**” means the document package which shall be disseminated by the Monitor to any potential Claimant in accordance with the terms of this Order and shall consist of a copy of this Order (without schedules) and such other materials as the Monitor, in consultation with the Target Canada Entities, may consider appropriate;
- (i) “**Claims Process**” means the procedures outlined in this Order in connection with the assertion of Claims against the Target Canada Entities and/or the Directors and Officers;

- (j) **“Consultative Committee”** means the committee of representatives of creditors of the Target Canada Entities constituted in accordance with the Order for Advice and Directions of the Court dated May 12, 2015;
- (k) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (l) **“D&O Claim Instruction Letter”** means the letter containing instructions for completing the D&O Proof of Claim form, substantially in the form attached as Schedule “B” hereto;
- (m) **“D&O Proof of Claim”** means the proof of claim referred to herein to be filed by Claimants in connection with any D&O Claim, substantially in the form attached hereto as Schedule “C” hereto, which shall include all supporting documentation in respect of such D&O Claim;
- (n) **“Director”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Target Canada Entities, in such capacity;
- (o) **“Employees”** means all employees of the Target Canada Entities as at the Filing Date and **“Employee”** means any one of them, in such capacity. For the avoidance of doubt, Employee does not include individuals whose employment was terminated for any reason, without regard to any period of notice, prior to the Filing Date;
- (p) **“Employee Letter”** means the letter to be disseminated by the Monitor, in consultation with the Target Canada Entities and Employee Representative

Counsel, to all Employees advising as to their rights and obligations in connection with this Claims Process, which letter shall be substantially in the form attached hereto as Schedule “D”;

- (q) **“Excluded Claim”** means any:
  - (i) Claim secured by the Administration Charge, the KERP Charge, the Directors’ Charge, the Financial Advisor Subordinated Charge, the DIP Lender’s Charge, and the Agent’s Charge and Security Interest (as defined in the Approval Order – Agency Agreement dated February 4, 2015);
  - (ii) Claim enumerated in sections 5.1(2) and 19(2) of the CCAA;
  - (iii) Any Claim of Royal Bank of Canada, The Toronto-Dominion Bank, Bank of America and JPMorgan in connection with the Cash Management System;
- (r) **“Filing Date”** means January 15, 2015;
- (s) **“Intercompany Claim”** means any Claim filed by any of the Target Canada Entities, or any of their affiliated companies, partnerships, or other corporate entities, including Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities in accordance with the terms of this Order, but excluding any Claim arising through subrogation or assignment;
- (t) **“Intercompany Claims Bar Date”** means 5:00 p.m. on July 31, 2015;

- (u) **“Meetings”** and each a **“Meeting”** means a meeting of the creditors of the Target Canada Entities called for the purpose of considering and voting in respect of a Plan;
- (v) **“Monitor’s Website”** means [www.alvarezandmarsal.com/targetcanada](http://www.alvarezandmarsal.com/targetcanada);
- (w) **“Monitor’s Intercompany Claims Report”** shall have the meaning set out in paragraph 35 herein;
- (x) **“Notice to Claimants”** means the notice for publication by the Monitor as described in paragraph 15 herein, substantially in the form attached as Schedule “E” hereto;
- (y) **“Notice of Dispute of Revision or Disallowance”** means the form substantially in the form attached as Schedule “F” hereto;
- (z) **“Notice of Objection”** means a notice filed by a Claimant in respect of an Intercompany Claim as set out in paragraph 37 herein, which Notice of Objection shall:
  - (i) identify the Person or Persons on whose behalf the Notice of Objection is filed;
  - (ii) indicate, to the extent known by the Claimant at such time, the nature of and basis for the objection(s) filed, along with any related documentary or other evidence available to the Claimant at such time in support of such objection(s); and

- (iii) indicate the relief sought in respect of any Intercompany Claim, and set out with reasonable particularity the legal or other basis for such relief;
- (aa) **“Notice of Objection Bar Date”** means September 30, 2015;
- (bb) **“Notice of Revision or Disallowance”** means the form substantially in the form attached as Schedule “G” hereto;
- (cc) **“Officer”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Target Canada Entities, in such capacity;
- (dd) **“Order”** means this Claims Procedure Order;
- (ee) **“Person”** means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;
- (ff) **“Plan”** means, as further defined in the Initial Order, any proposed plan of compromise or arrangement that may be filed in respect of any or all of the Target Canada Entities pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance the terms thereof;
- (gg) **“Proof of Claim”** means the proof of claim referred to herein to be filed by Claimants in respect of Prefiling Claims and Restructuring Period Claims (including, in each case, an Intercompany Claim), substantially in the form

attached hereto as Schedule “I” hereto, which shall include all supporting documentation in respect of such Claim;

- (hh) **“Proof of Claim Instruction Letter”** means the letter containing instructions for completing the Proof of Claim form, substantially in the form attached as Schedule “H” hereto;
- (ii) **“Restructuring Period Claims Bar Date”** means, in respect of a Restructuring Period Claim, the later of (i) 45 days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim and (ii) the Claims Bar Date; and
- (jj) **“TCC”** means Target Canada Co..

4. THIS COURT ORDERS that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein, and any reference to an event occurring on a day that is not a Business Day shall mean the next following day that is a Business Day.

5. THIS COURT ORDERS that all references to the word “including” shall mean “including without limitation”, all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

## **GENERAL PROVISIONS**

6. THIS COURT ORDERS that any Claim denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

7. THIS COURT ORDERS that notwithstanding any other provisions of this Order, the solicitation by the Monitor or the Target Canada Entities of Proofs of Claim and D&O Proofs of Claim, and the filing by any Claimant of any Proof of Claim or D&O Proof of Claim shall not, for that reason only, grant any person any standing in the CCAA Proceedings or rights under any Plan.

8. THIS COURT ORDERS that, other than in respect of Intercompany Claims and any other Claims of Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities, the Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where the Monitor is satisfied that a Claim (other than an Intercompany Claim and any other Claims of Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities) has been adequately proven, waive strict compliance with the requirements of this Order, including in respect of the completion, execution and time of delivery of such forms; provided that it is recognized and understood that certain of the Intercompany Claims and any other Claims of Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities will be contingent in nature and therefore will not contain particulars of such Claims that are not yet known as at the time they are filed.

9. THIS COURT ORDERS that amounts claimed in Assessments issued after the Filing Date shall be subject to this Order and there shall be no presumption of validity or deeming of the amount due in respect of the Claim set out in any Assessment where such Assessment was issued after the Filing Date.

#### **MONITOR'S ROLE**

10. THIS COURT ORDERS that, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other orders of the Court in the CCAA Proceedings, the Monitor is hereby directed and empowered to implement the Claims Process set out herein and to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

11. THIS COURT ORDERS that the Monitor (i) shall have all of the protections given to it by the CCAA, the Initial Order, any other orders of the Court in the CCAA Proceedings, and this Order, or as an officer of the Court, including the stay of proceedings in its favour; (ii) shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, other than in respect of its gross negligence or wilful misconduct; (iii) shall be entitled to rely on the books and records of the Target Canada Entities and any information provided by the Target Canada Entities, all without independent investigation, provided that Intercompany Claims are subject to independent investigation by the Monitor as provided in paragraph 35 herein; (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; and (v) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Order from Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate

entities, including, without limitation, making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Process but for greater certainty shall not take direction from Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities.

12. THIS COURT ORDERS that the Target Canada Entities and their current and former shareholders, Officers, Directors, employees, agents and representatives shall fully cooperate with the Monitor in the exercise of its powers and discharge of its duties and obligations under this Order.

#### **NOTICE TO CLAIMANTS**

13. THIS COURT ORDERS that as soon as practicable, but no later than 5:00 p.m. on June 30, 2015, the Monitor shall cause a Claims Package to be sent to:

- (a) Each party that appears on the Service List or has requested a Claims Package;  
and
- (b) All known Claimants, other than Employees, as evidenced by the books and records of the Target Canada Entities at their respective last known addressees as recorded in the Target Canada Entities' books and records.

14. THIS COURT ORDERS that the Monitor shall cause the Notice to Claimants to be published, for at least two (2) Business Days, in The Globe and Mail (National Edition), La Presse and The Wall Street Journal by no later than 5:00 p.m. on June 18, 2015.

15. THIS COURT ORDERS that the Monitor shall cause the Notice to Claimants and the Claims Package to be posted to the Monitor's Website by no later than 5:00 p.m. on June 18, 2015.

16. THIS COURT ORDERS that, the Monitor shall cause the Employee Letter to be sent to all Employees as soon as practicable but no later than 5:00 p.m. on June 30, 2015.

17. THIS COURT ORDERS that to the extent any Claimant requests documents or information relating to the Claims Process prior to the Claims Bar Date or if the Target Canada Entities or the Monitor become aware of any further Claims, the Monitor shall forthwith send such Claimant a Claims Package, direct such Claimant to the documents posted on the Monitor's Website or otherwise respond to the request for documents or information as the Monitor may consider appropriate in the circumstances.

18. THIS COURT ORDERS that the Claims Process and the forms of Notice to Claimants, Proof of Claim Instruction Letter, D&O Claim Instruction Letter, Employee Letter, Proof of Claim, D&O Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute of Revision or Disallowance are hereby approved. Notwithstanding the foregoing, the Monitor may, from time to time, make minor non-substantive changes to the forms as the Monitor, in its sole discretion, may consider necessary or desirable.

19. THIS COURT ORDERS that the sending of the Claims Package to the Claimants and the publication of the Notice to Claimants, in accordance with this Order, and the completion of the other requirements of this Order, shall constitute good and sufficient service and delivery of notice of this Order, the Claims Bar Date and the Restructuring Period Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim, and no other

notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

## **FILING OF PROOFS OF CLAIM**

### **(A) Intercompany Claims**

20. THIS COURT ORDERS that all Intercompany Claims must be filed by submitting a Proof of Claim to the Monitor no later than the Intercompany Claims Bar Date.

21. THIS COURT ORDERS that any Claimant that does not file a Proof of Claim in respect of a Intercompany Claim so that such Proof of Claim is received by the Monitor on or before the Intercompany Claims Bar Date, or such later date as the Court may direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Intercompany Claim(s) against any of the Target Canada Entities and all such Intercompany Claim(s) shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Intercompany Claim(s); and
- (c) will not be permitted to participate in any distribution under any Plan, if applicable, on account of such Intercompany Claim(s).

### **(B) Prefiling Claims**

22. THIS COURT ORDERS that any Claimant that intends to assert a Prefiling Claim or D&O Claim shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the Claims Bar Date. For the avoidance of doubt, a Proof of Claim or D&O

Proof of Claim, as applicable, must be filed by every Claimant in respect of every Prefiling Claim or D&O Claim, regardless of whether or not a legal proceeding in respect of such Prefiling Claim or D&O Claim has been previously commenced.

23. THIS COURT ORDERS that any Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, so that such Proof of Claim or D&O Proof of Claim, is received by the Monitor on or before the Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Prefiling Claim against any of the Target Canada Entities or any D&O Claim relating to such Prefiling Claim and all such Prefiling Claims or D&O Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Prefiling Claim(s) or D&O Claim(s) relating to the Prefiling Claim(s);
- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the Target Canada Entities become aware that such Claimant has a Restructuring Period Claim or D&O Claim relating to the Restructuring Period Claim; and
- (d) will not be permitted to participate in any distribution under any Plan, if applicable, on account of such Pre-filing Claim(s) or D&O Claim(s).

24. THIS COURT ORDERS that the provisions of paragraphs 22 and 23 herein shall not apply to Intercompany Claims.

**(C) Restructuring Period Claims**

25. THIS COURT ORDERS that upon becoming aware of a circumstance giving rise to a Restructuring Period Claim, the Monitor shall send a Claims Package to the Claimant in respect of such Restructuring Period Claim in the manner provided for herein.

26. THIS COURT ORDERS that any Claimant that intends to assert a Restructuring Period Claim or D&O Claim relating to a Restructuring Period Claim shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the Restructuring Period Claims Bar Date. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim must be filed by every Claimant in respect of every Restructuring Period Claim or D&O Claim relating to a Restructuring Period Claim, regardless of whether or not a legal proceeding in respect of such Restructuring Period Claim or D&O Claim has been previously commenced.

27. THIS COURT ORDERS that any Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, so that such Proof of Claim or D&O Proof of Claim is received by the Monitor on or before the Restructuring Period Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Restructuring Period Claim against any of the Target Canada Entities or any D&O Claim relating to such Restructuring Period Claim and all such Restructuring Period Claim or D&O Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Restructuring Period Claim(s) or D&O Claim(s);

- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the Target Canada Entities become aware that such Claimant has a Restructuring Period Claim or D&O Claim relating to the Restructuring Period Claim; and
- (d) will not be permitted to participate in any distribution under any Plan, if applicable, on account of such Restructuring Period Claim(s) or D&O Claim(s).

#### **ADJUDICATION OF CLAIMS OTHER THAN INTERCOMPANY CLAIMS**

28. THIS COURT ORDERS that, for greater certainty, the procedures outlined in paragraphs 29 to 34 herein shall not apply to the adjudication of Intercompany Claims.

29. THIS COURT ORDERS that the Monitor shall review all Proofs of Claim received on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, in consultation with the Target Canada Entities, and shall accept, revise or reject each Claim. With respect to a D&O Claim set out in a D&O Proof of Claim, the Monitor shall, in consultation with the Target Canada Entities and the Directors and Officers named in respect of such D&O Claim as to the merits of such Claim(s), as applicable, accept, revise or reject such D&O Claim.

30. THIS COURT ORDERS that the Monitor shall consult with the Consultative Committee in connection with any Claim the Monitor proposes to allow (including by Notice of Revision or Disallowance) in excess of \$5 million and if the Consultative Committee objects to the allowance of such Claim, the Monitor shall seek the Court's approval of the Claim.

31. THIS COURT ORDERS that if the Monitor intends to revise or reject a Claim, the Monitor shall notify the Claimant who has delivered such Proof of Claim or D&O Proof of

Claim, as applicable, that such Claim has been revised or rejected and the reasons therefor, by sending a Notice of Revision or Disallowance by no later than November 15, 2015, unless otherwise ordered by this Court on application by the Monitor.

32. THIS COURT ORDERS that any Claimant who intends to dispute a Notice of Revision or Disallowance hereof shall:

- (a) deliver a completed Notice of Dispute of Revision or Disallowance, along with the reasons for the dispute, to the Monitor by no later than twenty-eight (28) days after the date on which the Claimant is deemed to receive the Notice of Revision or Disallowance, or such other date as may be agreed to by the Monitor in writing; and
- (b) in the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Target Canada Entities, the Monitor shall refer the dispute raised in the Notice of Dispute of Revision or Disallowance to a Claims Officer or the Court for adjudication at its election.

33. THIS COURT ORDERS that where a Claimant that receives a Notice of Revision or Disallowance does not file a completed Notice of Dispute of Revision or Disallowance by the time set out in paragraph 32(a), such Claimant's Claim or D&O Claim relating to such Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such Claimant shall have no further right to dispute same.

34. THIS COURT ORDERS that the Monitor may refer any Claim to a Claims Officer or the Court for adjudication at its election by sending written notice to the Claimant at any time.

#### **ADJUDICATION OF INTERCOMPANY CLAIMS AND INTERCREDITOR DISPUTES**

35. THIS COURT ORDERS that, notwithstanding anything to the contrary in this Order with respect to Intercompany Claims, the Monitor shall prepare a report to be served on the Service List and filed with the Court for the Court to consider, detailing its review of all Intercompany Claims and assessing in detail with reasonably sufficient particulars and analysis the validity and quantum of such Claims as filed (the “**Monitor’s Intercompany Claims Report**”), subject to further review and adjustments in respect of claims that may be pursued by the Monitor in accordance with section 36.1 of the CCAA. The Monitor’s Intercompany Claims Report shall include, among other things, full particulars of the debt comprising the Intercompany Claims, including without limitation: (i) the source of the funds comprising the debt; (ii) whether such funds were advanced from another Target Canada Entity, or any of their affiliated companies, partnerships, or other corporate entities, including Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities; (iii) the portion of the debt arising as a result of penalties or early termination of agreements; and (iv) which portion (if any) of the amount of the debt was (x) advanced on or after the Filing Date; (y) originally advanced as equity by a related entity; and/or (z) originally advanced on an unsecured basis. The Monitor’s Intercompany Claims Report shall be served on August 31, 2015, unless otherwise ordered by this Court on application by the Monitor. For greater certainty, nothing in the Monitor’s Intercompany Claims Report shall bind the Court with respect to its determination

of the Intercompany Claims as the Court sees fit, including without limitation, the validity, priority or quantum of such Intercompany Claims.

36. THIS COURT ORDERS that on or before October 31, 2015, the Monitor shall serve on the Service List and file with the Court a list of all Claims other than Intercompany Claims filed by any of the Target Canada Entities, or any of their affiliated companies, partnerships, or other corporate entities, including Target Corporation or any of its subsidiary or affiliated companies, partnerships, or other corporate entities arising through subrogation or assignment.

37. THIS COURT ORDERS that, after the service of the Monitor's Intercompany Claims Report, any Claimant may file objections, which may include, but are not limited to, any argument asserted for the subordination of outstanding intercompany debts of any of the Target Canada Entities, any relief in connection with claims to priority, any claim asserted for substantive consolidation, and the validity and quantum of Intercompany Claims and any claim relating to debt recharacterization, by filing a Notice of Objection with the Monitor, no later than the Notice of Objection Bar Date. Any Notice of Objection filed after the Notice of Objection Bar Date shall be disregarded and of no effect.

38. THIS COURT ORDERS that, promptly following the Notice of Objection Bar Date, the Monitor shall schedule a motion with the Court to seek approval of a process for the resolution of any objections filed in connection with the Intercompany Claims and any other intercreditor disputes or motions, including a process regarding requests for the production of documents or any oral examinations.

39. THIS COURT ORDERS that, at the motion described in paragraph 38 above, the Monitor shall schedule with the Court any motions a Claimant has advised the Monitor it still wishes to be heard regarding requests for the production of documents and/or any oral examinations.

~~SET-OFF~~

~~40. THIS COURT ORDERS that nothing in this Order affects the rights of any Person pursuant to section 21 of the CCAA.~~

#### **CLAIMS OFFICERS**

41. THIS COURT ORDERS that Hon. Dennis O'Connor, and such other Persons as may be appointed by the Court from time to time on application of the Monitor, be and they are hereby appointed as Claims Officers for the claims procedure described herein.

42. THIS COURT ORDERS that the decision as to whether the disputed Claim should be adjudicated by the Court or a Claims Officer shall be in the sole discretion of the Monitor.

43. THIS COURT ORDERS that a Claims Officer shall determine the validity and amount of disputed Claims in accordance with this Order and to the extent necessary may determine whether any Claim or part thereof constitutes an Excluded Claim and shall provide written reasons. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before a Claims Officer shall be paid.

44. THIS COURT ORDERS that the Monitor, the Claimant or the applicable Target Canada Entity may, within ten (10) days of such party receiving notice of a Claims Officer's determination of the value of a Claimant's Claim, appeal such determination or any other matter determined by the Claims Officer in accordance with paragraph 43 or otherwise to the Court by filing a notice of appeal, and the appeal shall be initially returnable within ten (10) days of filing such notice of appeal.

45. THIS COURT ORDERS that if no party appeals the determination of value of a Claim by a Claims Officer within the time set out in paragraph 44, above, the decision of the Claims Officer in determining the value of the Claimant's Claim shall be final and binding upon the relevant Target Canada Entity, the Monitor, and the Claimant, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

46. THIS COURT ORDERS that the provisions of paragraphs 41 to 45 herein shall not apply to Intercompany Claims and inter-creditor disputes.

#### **NOTICE OF TRANSFEREES**

47. THIS COURT ORDERS that from the date of this Order until seven (7) days prior to the date fixed by the Court for any distribution in the CCAA Proceedings or any other proceeding, including a bankruptcy, to the extent required, leave is hereby granted to permit a Claimant to provide notice of assignment or transfer of a Claim to any third party to the Monitor.

48. THIS COURT ORDERS that subject to the terms of any subsequent Order of this Court, if, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim

to another Person, neither the Monitor nor the Target Canada Entities shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing and thereafter such transferee or assignee shall, for the purposes hereof, constitute the "Claimant" in respect of such Claim or D&O Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt and acknowledgement by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim or takes the Claim subject to any rights of set-off to which the Target Canada Entities may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Target Canada Entities.

49. THIS COURT ORDERS that no transfer or assignment shall be effective for voting purposes at any Meeting unless sufficient notice and evidence of such transfer or assignment has been received by the Monitor no later than 5:00 p.m. on the date that is seven (7) days prior to the date fixed by the Court for any Meeting, failing which the original Claimant shall have all applicable rights as the "Claimant" with respect to such Claim as if no transfer or assignment of the Claim had occurred.

#### **SERVICE AND NOTICE**

50. THIS COURT ORDERS that the Monitor may, unless otherwise specified by this Order, serve and deliver or cause to be served and delivered the Claims Package, and any letters,

notices or other documents, to the Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Target Canada Entities or set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

51. THIS COURT ORDERS that any notice or communication required to be provided or delivered by a Claimant to the Monitor under this Order shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email addressed to:

Alvarez & Marsal Canada Inc., Target Canada Monitor  
200 Bay Street, Suite 2900  
P.O. Box 22  
Toronto, ON  
M5J 2J1

Attention: Greg Karpel  
Email: [targetcanadaclaims@alvarezandmarsal.com](mailto:targetcanadaclaims@alvarezandmarsal.com)  
Fax: 416-847-5201

52. THIS COURT ORDERS that if, during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

#### **MISCELLANEOUS**

53. THIS COURT ORDERS that the Monitor may from time to time apply to this Court to extend the time for any action which the Monitor is required to take if reasonably required to carry out its duties and obligations pursuant to this Order and for advice and directions concerning the discharge of its powers and duties under this Order or the interpretation or application of this Order.

54. THIS COURT ORDERS that nothing in this Order shall prejudice the rights and remedies of any Directors or Officers or other Persons under the Directors' Charge or any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the Target Canada Entities' insurance and any Director's or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or any Target Canada Entity; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter

any defence to such Claim available to the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that she is covered by, the Target Canada Entities' insurance or any Director's or Officer's liability insurance or other liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons shall not be recoverable as against a Target Canada Entity or Director or Officer as applicable.

55. THIS COURT ORDERS that nothing in this Order shall prejudice, limit, bar, extinguish or otherwise affect (i) any right or claim of any Person, including under any guarantee, indemnity or otherwise, against Target Corporation, any predecessor tenant, or any other Person other than the Target Canada Entities and the Directors and Officers; and (ii) any right or claim of Target Corporation, any predecessor tenant, or any other Person in response to such right or claim. For greater certainty, this Order is subject to and shall not derogate from paragraph 19A of the Initial Order.

56. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Target Canada Entities, 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 Target Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status

to the Monitor in any foreign proceeding, or to assist the Target Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.



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ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

JUN 11 2015



## **SCHEDULE "A"**

### **List of the Applicants and Partnerships**

#### **Applicants**

Target Canada Co.

Target Canada Health Co.

Target Canada Mobile GP Co.

Target Canada Pharmacy (BC) Corp.

Target Canada Pharmacy (Ontario) Corp.

Target Canada Pharmacy (SK) Corp.

Target Canada Pharmacy Corp.

Target Canada Property LLC

#### **Partnerships**

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP