

**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 **EXPRESS FASHION APPAREL
CANADA INC.** and **EXPRESS CANADA GC GP, INC.**

APPLICANTS

MOTION RECORD

**(MOTION FOR CLAIMS PROCEDURE ORDER AND
STAY EXTENSION RETURNABLE MAY 29, 2017)**

May 23, 2017

OSLER, HOSKIN & HARCOURT LLP

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

Tracy C. Sandler (LSUC #: 32443N)
tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)
jdacks@osler.com

W. David Rankin (LSUC# 63261P)
drankin@osler.com

Tel: 416.362-2111
Fax: 416.862.6666

Lawyers for the Applicants

TO: SERVICE LIST

SERVICE LIST

<i>Party</i>	<i>Contact</i>
<p>Osler, Hoskin & Harcourt LLP P.O. Box 50, 1 First Canadian Place Toronto, ON M5X 1B8 Fax: 416.862.6666</p> <p>Counsel to the Applicants</p>	<p>Tracy Sandler Tel: 416.862.5890 Email: tsandler@osler.com</p> <p>Jeremy Dacks Tel: 416.862.4293 Email: jdacks@osler.com</p> <p>David Rankin Tel: 416.862.4895 Email: drankin@osler.com</p> <p>Mike Shakra Tel: 416.862.6643 Email: mshakra@osler.com</p>
<p>Alvarez & Marsal Canada Inc. Royal Bank Plaza, South Tower 200 Bay Street, Suite 2900 Toronto, ON M5J 2J1 Fax: 416.847.5201</p> <p>Monitor</p>	<p>Douglas McIntosh Tel: 416.847.5150 Email: dmcintosh@alvarezandmarsal.com</p> <p>Al Hutchens Tel: 416.847.5159 Email: ahutchens@alvarezandmarsal.com</p> <p>Joshua Nevsky Tel: 416.847.5161 Email: jnevsky@alvarezandmarsal.com</p> <p>Zach Gold Tel: 416.847.5153 Email: zgold@alvarezandmarsal.com</p>
<p>Blake, Cassels & Graydon LLP 199 Bay Street Suite 4000, Commerce Court West Toronto ON M5L 1A9 Fax: 416.863.2653</p> <p>Counsel to the Monitor</p>	<p>Pamela L. J. Huff Tel: 416.863.2958 Email: pamela.huff@blakes.com</p> <p>Linc Rogers Tel: 416.863.4168 Email: linc.rogers@blakes.com</p> <p>Aryo Shalviri Tel: 416.863.2962 Email: aryo.shalviri@blakes.com</p>

<i>Party</i>	<i>Contact</i>
Chaitons LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9 Fax: 416.222.8402 Counsel to Express, LLC	Harvey Chaiton Tel: 416.218.1129 Email: harvey@chaitons.com George Benchetrit Tel: 416.218.1141 Email: george@chaitons.com
Cassels Brock & Blackwell LLP Suite 2100, Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 Fax: 416.640.3144 Counsel to Merchant Retail Solutions ULC	Jane Dietrich Tel: 416.860.5223 Email: jdietrich@casselsbrock.com
Torys LLP 79 Wellington St. W. 33rd Floor Box 270, TD South Tower Toronto, Ontario M5K 1N2 Fax: 416.865.7380 Counsel to Cadillac Fairview	David Bish Tel: 416.865.7353 Email: dbish@torys.com Lily Coodin Tel: 416.865.7541 Email: lcoodin@torys.com
McLean & Kerr LLP 130 Adelaide St. West, Suite 2800 Toronto, ON M5H 3P5 Fax: 416.366.8571 Counsel to Morguard, Brookfield, Oxford Properties, and Ivanhoe Cambridge	Linda Galessiere Tel: 416.369.6609 Email: lgalessiere@mcleankerr.com Walter Stevenson Tel: 416.369.6602 Email: wstevenson@mcleankerr.com
West Edmonton Mall Property Inc. Suite 3000, Phase III West Edmonton Mall 8882-170th Street Edmonton, Alberta T5T 4M2 Fax: 780.444.5223 Landlord at West Edmonton Mall	Dean Shaben Vice President of Leasing Tel: 780.444.8126 Email: Dean.Shaben@wem.ca John Colbert Corporate Controller Tel: 780.444.8138 Email: john.colbert@wem.ca Theresa Paquette Lease Administrator Email: Theresa.Paquette@wem.ca

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ARRANGEMENT OF **EXPRESS FASHION APPAREL
CANADA INC.** and **EXPRESS CANADA GC GP, INC.**

APPLICANTS

MOTION RECORD

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TAB 1

Court File No. CV-17-11785-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **EXPRESS FASHION APPAREL
CANADA INC.** and **EXPRESS CANADA GC GP, INC.**

APPLICANTS

NOTICE OF MOTION

**(Motion for Claims Procedure Order and
Stay Extension Returnable May 29, 2017)**

The applicants, Express Fashion Apparel Canada Inc. ("**Express Canada**") and Express Canada GC GP, Inc. (together with Express Canada, the "**Applicants**") will make a Motion to a Judge of the Ontario Superior Court of Justice (Commercial List) on May 29, 2017 at 10:00 a.m., or as soon after that time as the Motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR

1. An Order substantially in the form attached at Tab 3 of the Motion Record, *inter alia*:
 - (a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record and dispensing with further service thereof;

- (b) approving and establishing a claims process (the “**Claims Process**”), including:
 - (i) procedures regarding the filing of claims against the Applicants and Express Canada GC, LP (together, the “**Express Canada Entities**”), including intercompany and employee claims, and regarding the filing of claims against the Applicants’ current and former directors and officers (the “**D&O Claims**”); and
 - (ii) procedures regarding the determination and resolution of claims as against the Express Canada Entities and D&O Claims, including the appointment of a claims officer;
- 2. An Order substantially in the form attached at Tab 4 of the Motion Record, *inter alia*:
 - (a) extending the Stay Period (as defined in paragraph 14 of the Initial Order) until and including September 29, 2017; and
 - (b) amending paragraph 10(a) of the Initial Order; and
- 3. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- 1. The Express Canada Entities were granted protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) dated May 4, 2017 (the “**Initial Order**”);

2. Alvarez & Marsal Canada Inc. was appointed in the Initial Order to act as the monitor in the CCAA proceeding (in such capacity, the “**Monitor**”);

3. Capitalized terms not otherwise defined herein have the meanings given to them in the Affidavit of Todd Painter sworn May 23, 2017;

Claims Process

4. The Express Canada Entities developed the Claims Process, reflected in the proposed form of Order at Tab 3 of the Motion Record (the “**Claims Procedure Order**”), in close consultation with the Monitor. The Claims Process would govern the process for filing and the determination of claims against the Express Canada Entities (including intercompany claims and claims by employees) and D&O Claims;

5. If approved by this Court, the Claims Process would be implemented and administered by the Monitor, with the cooperation and in consultation with the Express Canada Entities, and with the assistance of Express Canada’s parent, Express, LLC, where necessary;

6. The Claims Process is a fair, efficient and reasonable process for the filing and determination of claims against the Express Canada Entities and D&O Claims;

7. The Monitor supports the Claims Process and the proposed Claims Procedure Order;

Stay Extension and Amendment to Initial Order

8. The Initial Order granted a stay of proceedings until June 3, 2017, or such later date as this Court may order;

9. Since the granting of the Initial Order, the Express Canada Entities, in close consultation and with the assistance of the Monitor, have been acting and continue to act in good faith and with due diligence in these CCAA proceedings to stabilize their business and operations, and to otherwise complete the responsible and orderly wind down of their business under the CCAA;
10. Extending the Stay Period will allow the Express Canada Entities to continue to pursue the controlled and orderly wind down of their business, including to complete the Sale pursuant to the Sale Approval Order, to commence the Claims Process and to engage in communication and consultations with their stakeholders;
11. It is just and convenient and in the interests of the Express Canada Entities and their respective stakeholders that the Stay Period be extended to September 29, 2017;
12. The Express Canada Entities have sufficient liquidity to complete the Sale and continue their responsible and orderly wind down through to September 29, 2017;
13. The extension of the Stay Period is supported by the Monitor;
14. Certain of the Landlords requested that the Express Canada Entities seek approval of an amendment to paragraph 10(a) of the Initial Order to make it clear that with respect to any leased premises, the Express Canada Entities may permanently, but not temporarily, cease, downsize, or shut down a store unless provided for in the applicable Lease (the “**Proposed Amendment**”);
15. Express Canada agreed with certain of the Landlords to seek the Proposed Amendment;
16. The Proposed Amendment is fair and reasonable and is supported by the Monitor;

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

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

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

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

20. The Affidavit of Todd Painter sworn May 23, 2017 and the exhibits thereto;

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

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

May 23, 2017

OSLER, HOSKIN & HARCOURT LLP

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

Tracy C. Sandler (LSUC #: 32443N)

tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)

jdacks@osler.com

W. David Rankin (LSUC# 63261P)

drankin@osler.com

Tel: 416.362-2111

Fax: 416.862.6666

Lawyers for the Applicants

TO: SERVICE LIST

SERVICE LIST

<i>Party</i>	<i>Contact</i>
<p>Osler, Hoskin & Harcourt LLP P.O. Box 50, 1 First Canadian Place Toronto, ON M5X 1B8 Fax: 416.862.6666</p> <p>Counsel to the Applicants</p>	<p>Tracy Sandler Tel: 416.862.5890 Email: tsandler@osler.com</p> <p>Jeremy Dacks Tel: 416.862.4293 Email: jdacks@osler.com</p> <p>David Rankin Tel: 416.862.4895 Email: drankin@osler.com</p> <p>Mike Shakra Tel: 416.862.6643 Email: mshakra@osler.com</p>
<p>Alvarez & Marsal Canada Inc. Royal Bank Plaza, South Tower 200 Bay Street, Suite 2900 Toronto, ON M5J 2J1 Fax: 416.847.5201</p> <p>Monitor</p>	<p>Douglas McIntosh Tel: 416.847.5150 Email: dmcintosh@alvarezandmarsal.com</p> <p>Al Hutchens Tel: 416.847.5159 Email: ahutchens@alvarezandmarsal.com</p> <p>Joshua Nevsky Tel: 416.847.5161 Email: jnevsky@alvarezandmarsal.com</p> <p>Zach Gold Tel: 416.847.5153 Email: zgold@alvarezandmarsal.com</p>
<p>Blake, Cassels & Graydon LLP 199 Bay Street Suite 4000, Commerce Court West Toronto ON M5L 1A9 Fax: 416.863.2653</p> <p>Counsel to the Monitor</p>	<p>Pamela L. J. Huff Tel: 416.863.2958 Email: pamela.huff@blakes.com</p> <p>Linc Rogers Tel: 416.863.4168 Email: linc.rogers@blakes.com</p> <p>Aryo Shalviri Tel: 416.863.2962 Email: aryo.shalviri@blakes.com</p>

<i>Party</i>	<i>Contact</i>
<p>Chaitons LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9 Fax: 416.222.8402</p> <p>Counsel to Express, LLC</p>	<p>Harvey Chaiton Tel: 416.218.1129 Email: harvey@chaitons.com</p> <p>George Benchetrit Tel: 416.218.1141 Email: george@chaitons.com</p>
<p>Cassels Brock & Blackwell LLP Suite 2100, Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 Fax: 416.640.3144</p> <p>Counsel to Merchant Retail Solutions ULC</p>	<p>Jane Dietrich Tel: 416.860.5223 Email: jdietrich@casselsbrock.com</p>
<p>Torys LLP 79 Wellington St. W. 33rd Floor Box 270, TD South Tower Toronto, Ontario M5K 1N2 Fax: 416.865.7380</p> <p>Counsel to Cadillac Fairview</p>	<p>David Bish Tel: 416.865.7353 Email: dbish@torys.com</p> <p>Lily Coodin Tel: 416.865.7541 Email: lcoodin@torys.com</p>
<p>McLean & Kerr LLP 130 Adelaide St. West, Suite 2800 Toronto, ON M5H 3P5 Fax: 416.366.8571</p> <p>Counsel to Morguard, Brookfield, Oxford Properties, and Ivanhoe Cambridge</p>	<p>Linda Galessiere Tel: 416.369.6609 Email: lgalessiere@mcleankerr.com</p> <p>Walter Stevenson Tel: 416.369.6602 Email: wstevenson@mcleankerr.com</p>
<p>West Edmonton Mall Property Inc. Suite 3000, Phase III West Edmonton Mall 8882-170th Street Edmonton, Alberta T5T 4M2 Fax: 780.444.5223</p> <p>Landlord at West Edmonton Mall</p>	<p>Dean Shaben Vice President of Leasing Tel: 780.444.8126 Email: Dean.Shaben@wem.ca</p> <p>John Colbert Corporate Controller Tel: 780.444.8138 Email: john.colbert@wem.ca</p> <p>Theresa Paquette Lease Administrator Email: Theresa.Paquette@wem.ca</p>

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

Court File No: CV-17-11785-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EXPRESS FASHION APPAREL CANADA INC. and EXPRESS
CANADA GC GP, INC.**

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION
(Motion for Claims Procedure Order and
Stay Extension Returnable May 29, 2017)**

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

Tracy C. Sandler (LSUC #: 32443N)
tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)
jdacks@osler.com

W. David Rankin (LSUC# 63261P)
drankin@osler.com

Tel: 416.362-2111
Fax: 416.862.6666

Lawyers for the Applicants

TAB 2

Court File No. CV-17-11785-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **EXPRESS FASHION APPAREL
CANADA INC.** and **EXPRESS CANADA GC GP, INC.**

APPLICANTS

AFFIDAVIT OF TODD PAINTER
(Sworn May 23, 2017)

(Motion for Claims Procedure Order and Stay Extension)

I, Todd Painter, of the city of New Albany, in the State of Ohio, the President of the applicants Express Fashion Apparel Canada Inc. ("**Express Canada**") and Express Canada GC GP, Inc. (together with Express Canada, the "**Applicants**"), MAKE OATH AND SAY:

1. I am the President and sole officer and director of each of the Applicants. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources for information, I have so stated and I believe them to be true. In preparing this affidavit, I consulted with representatives of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as monitor of the Express Canada Entities (as defined below) (in such capacity, the "**Monitor**") and the legal advisors to the Express Canada Entities.

2. I make this affidavit in support of the motion of the Applicants and Express Canada GC, LP (collectively, the "**Express Canada Entities**") seeking Orders, substantially in the forms to be attached to the Motion Record, that would, among other things: (i) approve the proposed Claims

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Process (defined below); (ii) approve a change to the Initial Order (defined below), as requested by certain of the Landlords; and (iii) extend the stay of proceedings to September 29, 2017.

A. Background

3. The Express Canada Entities were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) dated May 4, 2017 (the "**Initial Order**"). A copy of the Initial Order is attached to my affidavit as **Exhibit A**.

4. Among other things, the Initial Order: (1) appoints A&M to act as the Monitor in these CCAA proceedings; and (2) grants a stay of proceedings until June 3, 2017, or such later date as this Honourable Court may order.

5. On the day that the Initial Order was granted, the Monitor established a website (<https://www.alvarezandmarsal.com/expresscanada>) (the "**Website**") to post information and documents regarding these CCAA proceedings, including Orders, motion materials, Monitor's reports, and the Service List.

6. Further details regarding the background to these proceedings are set out in my affidavit sworn May 3, 2017 (the "**Initial Order Affidavit**"). Except where so stated, capitalized terms not otherwise defined in this affidavit have the meanings given to them in the Initial Order Affidavit. A copy of the Initial Order Affidavit without exhibits is attached to this affidavit as **Exhibit B**.

B. Activities since the Granting of the Initial Order

7. Since the granting of the Initial Order, the Express Canada Entities, in close consultation and with the assistance of the Monitor, have been working diligently to stabilize and wind down

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their business and operations as part of these CCAA proceedings. All 17 of Express Canada's stores have remained operational since the granting of the Initial Order. As part of their wind down efforts, the Express Canada Entities have worked closely with the Monitor to develop and implement a proactive communication and consultation plan with stakeholders, including employees and the Landlords.

(a) Employees

8. On May 4, 2017, Express Canada sent termination letters (the "Termination Letters") by email to each of its 339 employees, with the exception of two employees for whom the Express Canada Entities did not have email addresses. For those two employees, their Termination Letters were mailed to them. The Termination Letters provide each of Express Canada's employees with working notice of termination effective June 15, 2017 and advise them of the employee retention plan approved in the Initial Order and described in the Initial Order Affidavit.

9. On May 9, 2017, Express Canada delivered to the Ontario Ministry of Labour a notice of termination of employment form under subsection 58(2) of the *Employment Standards Act, 2000*.

(b) Landlords

10. Immediately upon being granted the Initial Order on May 4, 2017, the Express Canada Entities implemented a communication and consultation plan with respect to the Landlords and began engaging with the Landlords regarding these CCAA proceedings. That morning, representatives of the Express Canada Entities called and left voicemails with key business contacts at most of the Landlords to advise them of the filing and Initial Order. Concurrently, counsel to the Express Canada Entities contacted counsel known to act for certain of the Landlords.

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Additionally, Express Canada delivered letters advising of the filing to each of the Landlords, both to the contacts listed in the Leases and to other key business contacts.

11. As of May 4, 2017, all but three of the Landlords had retained counsel (with two of the remaining Landlords subsequently retaining counsel as of May 8, 2017). The Express Canada Entities' counsel immediately began engaging with the Landlords' counsel and provided materials regarding the CCAA proceeding, including the Initial Order and a package of the filed application materials.

12. Discussions have occurred among counsel to the Express Canada Entities, the Monitor, and the Landlords. Prior to the May 10, 2017 motion for the Sale Approval Order (as defined below), the Express Canada Entities provided information to the Landlords in respect of these CCAA proceedings, generally, and in respect of the proposed process for liquidating the inventory, furniture, fixtures, and equipment, specifically. Upon obtaining the Sale Approval Order, packages showing the signage proposed for the Sale (defined below) were provided to counsel for the Landlords (except for one Landlord who has not yet engaged counsel). Counsel for the Express Canada Entities and the Monitor have subsequently spoken with that remaining Landlord. The Express Canada Entities, with the assistance of the Monitor, intend to continue to consult and engage with the Landlords throughout these CCAA proceedings with a view to reaching a consensual resolution of their claims.

(c) Disclaimers of the Leases

13. The Express Canada Entities, in consultation with the Monitor, have analysed the terms of the Leases and determined that it is in the best interests of their estates and stakeholders to disclaim the Leases as part of these CCAA proceedings. Prior to the Express Canada Entities obtaining the Initial Order, A&M (in its capacity as proposed monitor of the Express Canada Entities) had asked

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the Consultant (defined below) for its opinion regarding the realizable value of the Leases. The Consultant concluded that although a small number of the leases might have marginal value, conducting a marketing and sale process in respect of those Leases would likely not be worthwhile.

14. Shortly after the Applicants obtained the Initial Order, the Monitor engaged an independent real estate consultant to provide a view as to whether Express Canada's Leases have realizable value to the estate of Express Canada. The Monitor was informed that the Leases in all likelihood have no realizable value to the estate and, accordingly, there was no reason to conduct a marketing and sale process in respect of the Leases.

15. In light of this due diligence, Express Canada, in consultation with the Monitor, has concluded that it will not conduct a marketing and sale process in respect of the Leases. The Express Canada Entities advised the Landlords of this conclusion on May 12, 2017, informing them that Express Canada intended to issue notices of disclaimer in respect of the Leases on May 16, 2017.

16. On May 16, 2017, Express Canada, with the approval of the Monitor, issued notices of disclaimer to the Landlords to disclaim the Leases and related agreements. Therefore, Express Canada's last day of possession and occupation of the leased premises will be June 15, 2017, which date was chosen to coincide with the end date of the liquidation Sale (as defined and described below).

17. As the Express Canada Entities have advised the Landlords, Express Canada will issue rent cheques to the Landlords for the period of June 1 to June 15, 2017, inclusive.

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(d) Inventory Liquidation

18. As of the granting of the Initial Order, Express, LLC (“**Express U.S.**”) ceased processing new inventory orders for Express Canada. As set out in the Initial Order Affidavit, Express U.S. was the exclusive provider of inventory to Express Canada.

19. This Court granted an Order on May 10, 2017 (the “**Sale Approval Order**”) that, among other things, approved the Letter Agreement Governing Inventory Disposition between Express Canada and Merchant Retail Solutions ULC (the “**Consultant**”) dated May 3, 2017 (the “**Consulting Agreement**”), along with sale guidelines (“**Sale Guidelines**”) for the orderly liquidation of Express Canada’s remaining inventory, furniture, fixtures, and equipment (the “**Sale**”).

20. As discussed above, the Express Canada Entities had engaged with the Landlords regarding the Sale Approval Order and Sale Guidelines prior to the motion for the Sale Approval Order. The Sale Approval Order and Sale Guidelines reflected comments from the Landlords, and the motion was unopposed.

21. Further details regarding the Consulting Agreement and the Sale Guidelines are found in my affidavit sworn May 4, 2017 (the “**Sale Approval Affidavit**”) and in the Sale Approval Order. A copy of the Sale Approval Affidavit without exhibits is attached to this affidavit as **Exhibit C**. A copy of the Sale Approval Order (including the final Sale Guidelines) is attached as **Exhibit D**.

22. The Sale commenced on the morning of May 11, 2017 and will continue in accordance with the Sale Guidelines until June 15, 2017, at the latest.

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(e) **Other Stakeholders and Disclaimers**

23. On May 4, 2017, the Monitor posted on the Website a list of the Express Canada Entities' creditors. The Monitor also sent notice to each of the known creditors who has a claim against the Express Canada Entities of more than \$1,000.

24. On May 8 and 15, 2017, the Monitor caused to be published in The Globe and Mail (National Edition) notice that the Initial Order had been granted and other details of the proceeding.

25. Between May 4 and 18, 2017, with the approval of the Monitor, the Express Canada Entities sent notices of their intention to disclaim or resiliate certain contractual and other arrangements that the Express Canada Entities had with certain third parties as of the date of filing (the "Non-Lease Disclaimers"). Each of the Non-Lease Disclaimers advised that the Express Canada Entities intended to disclaim such contracts effective 30 days after delivering the notices (between June 3, 2017 and June 17, 2017, depending on the date that the particular Non-Lease Disclaimer was sent).

26. The Non-Lease Disclaimers were in respect of the bulk of the Express Canada Entities' agreements with third parties, including their agreements with, *inter alia*, Express Canada's provider of office supplies, third party sellers of Gift Cards, a supplier of certain marketing services, and an organization that Express Canada had sponsored. In addition, the Express Canada Entities have ceased ordering goods and services provided under purchase orders which were not required as part of the orderly wind down.

27. As of today's date, the Express Canada Entities have not provided notices of an intention to disclaim agreements that will still be required for the responsible and orderly wind down after the completion of the Sale. For example, the Express Canada Entities have not disclaimed certain

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agreements in respect of card processing services and in respect of employee benefits. The Express Canada Entities intend to disclaim these final remaining contracts at an appropriate time, to be determined in consultation with the Monitor, as part of the responsible and orderly wind down.

C. Proposed Change to the Initial Order

28. Further to their engagement with the Landlords, the Express Canada Entities agreed to seek approval of a change to the Initial Order to make it clear that with respect to any leased premises, the Express Canada Entities may permanently, but not temporarily, cease, downsize or shut down a store, unless otherwise provided for in the applicable lease. The draft Order to be attached to the Motion Record contains this proposed amendment.

29. I am informed by the Monitor that it supports the request to amend the Initial Order.

D. Claims Process

30. The Express Canada Entities have developed, in consultation with the Monitor, a claims process (the “**Claims Process**”) proposed to govern the process for filing and determining claims against the Express Canada Entities (including intercompany claims and claims by employees), and claims against the current and former directors and officers of the Applicants (“**D&O Claims**”). The Express Canada Entities believe that the Claims Process is a fair, efficient, and reasonable process for the determination of claims against the Express Canada Entities and D&O Claims. I am advised by Tracy Sandler, counsel to the Express Canada Entities, and believe that the Claims Process is typical for CCAA proceedings. I am informed by the Monitor that it supports the Claims Process.

31. Below is a summary of the key features of the Claims Process, as more fully set out in the proposed Claims Procedure Order to be submitted to the Court (the “**Claims Procedure Order**”).

(a) Role of the Monitor and Claims Officer

32. It is proposed that the Monitor will implement and administer the Claims Process in consultation with the Express Canada Entities. To support the Monitor in its role administering the Claims Process, the Express Canada Entities will assist and cooperate with the Monitor, as will Express Canada's parent company, Express U.S., which provides Shared Services that will be needed to evaluate certain claims.

33. The proposed Claims Procedure Order also contemplates the appointment of claims officers to adjudicate any unresolved claims ("**Claims Officers**"). The proposed Claims Procedure Order would appoint the Honourable Dennis O'Connor as a Claims Officer and would allow the Express Canada Entities or the Monitor to apply to the Court for the appointment of others, if necessary. Where the assessment of a claim is disputed by a claimant, the Monitor is proposed to have the sole discretion regarding whether the adjudication thereof should be referred to the Court or a Claims Officer. Where a Claims Officer determines a claim, the Monitor, the claimant, or the applicable Express Canada Entity may file a notice of appeal with the Court.

(b) Notice to Claimants

34. The Express Canada Entities propose that the Monitor send a package of claim materials (including the Claims Procedure Order) no later than June 6, 2017 to the following recipients: (1) each party that appears on the Service List; (2) each party who has requested a claims package; and (3) all known persons asserting a claim or who may have a claim against any of the Express Canada Entities, other than employees (who will be notified as set out below). In addition, the Monitor would cause notice and important information regarding the Claims Process to be posted on the Monitor's website and published for two days in The Globe and Mail (National Edition).

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(c) Employee Claims

35. The Express Canada Entities are proposing a streamlined and simplified process to assist their employees in resolving their claims in these CCAA proceedings. To notify employees of the Claims Process, the proposed Claims Procedure Order provides that the Monitor is to send a notice prepared by the Express Canada Entities, in consultation with the Monitor, to all of Express Canada's employees by no later than June 23, 2017 advising them of certain of their rights and obligations (the "**Statement of Employee Claim**"). Each Statement of Employee Claim would include a pre-populated assessment of the employee's claim based on the Express Canada Entities' records. The form of Statement of Employee Claim that the Express Canada Entities propose for the Monitor to send to employees is found at Schedule "F" to the proposed Claims Procedure Order.

36. If an employee disagrees with the pre-populated assessment in the Statement of Employee Claim sent to such employee, the employee may file a Notice of Dispute of Statement of Employee Claim, the form of which is attached as Schedule "G" to the proposed Claims Procedure Order, with the Monitor on or before July 28, 2017 (the "**Claims Bar Date**"). The Monitor would review all Notices of Dispute of Statement of Employee Claim submitted by employees as of the Claims Bar Date. If any such dispute is not settled within a time period satisfactory to the Monitor, the Monitor would, in its sole discretion, refer the dispute to a Claims Officer or to the Court for adjudication.

(d) Other Claims

37. The proposed Claims Procedure Order would set the same Claims Bar Date for all claimants, subject to extending the deadline in respect of certain Restructuring Period Claims

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(defined below). For claimants other than employees asserting claims, the proposed Claims Procedure Order would impose the following filing deadlines:

- (a) **Pre-filing Claims:** For claims based on facts that existed prior to May 4, 2017 (*i.e.*, pre-filing claims), the claimant would be required to file a proof of claim with the Monitor by the Claims Bar Date;
- (b) **Restructuring Period Claims:** For claims based on the restructuring, disclaimer, resiliation, termination, or breach by any of the Express Canada Entities on or after May 4, 2017 of any contract, lease or other agreement (“**Restructuring Period Claims**”), the claimant would be required to file a proof of claim with the Monitor by the later of: (i) the Claims Bar Date, and (ii) 30 days after the Monitor sends a claims package for the Restructuring Period Claim. The Monitor would be required to send such a claims package to the creditor upon becoming aware of the circumstances giving rise to the Restructuring Period Claim; and
- (c) **Intercompany Claims:** Any of the Express Canada Entities or their affiliates, including Express U.S. and its affiliates, that intend to file a claim (an “**Intercompany Claim**”) would be required to file a proof of claim with the Monitor by the Claims Bar Date.

38. These deadlines apply to claims against the Express Canada Entities and to D&O Claims. Unless the Court extends the time, claims not filed by the applicable deadline would be extinguished. Any potential claimant that does not file a claim by the applicable date would not be entitled to vote at a meeting of creditors regarding a proposed plan of compromise or arrangement (a “**Plan**”), or to participate in any distribution under a Plan.

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39. The proposed Claims Procedure Order provides that the Monitor is to review all proofs of claim filed before the applicable deadline. For claims against the Express Canada Entities, the Monitor would accept, revise, or reject the claim in consultation with the Express Canada Entities. However, where the proof of claim relates to an Intercompany Claim, the Monitor would only consult with the Express Canada Entities if the Monitor determines, in its sole discretion, that such consultation is necessary. For D&O Claims, the Monitor would also consult with the directors and officers named in the proof of claim with respect to the merits of the claim.

40. If the Monitor revises or rejects the claim, the Monitor would notify and give reasons to the claimant by delivering a notice of revision or disallowance no later than September 15, 2017. The claimant would then have 28 days to dispute the revision or disallowance of the claim by delivering a notice of dispute of revision or disallowance, with reasons, to the Monitor. If this dispute is not settled within a time period satisfactory to the Monitor, the Monitor would, in its sole discretion, refer the dispute to a Claims Officer or to the Court for adjudication.

41. The Claims Process would not apply to claims secured by the Administration Charge and the Directors' Charge (as approved in the Initial Order), any claims encompassed by sections 5.1(2) or 19(2) of the CCAA, any claims by Fifth Third Bank and Bank of America Merchant Services Canada Corp. in connection with the Cash Management System, or any claims of the Consultant in connection with the Consulting Agreement. Further, the Claims Process does not prejudice the rights and remedies of any person under any insurance policy or prevent or bar any person from seeking recourse against or payment from any of the Express Canada Entities' insurance policies.

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E. Stay Extension

42. The Express Canada Entities are seeking to extend the Stay Period (as defined in paragraph 14 of the Initial Order) up to and including September 29, 2017. This will allow the processes described above to unfold and allow the Express Canada Entities to focus on the orderly wind down, with the assistance and oversight of the Monitor, for the benefit of all of their stakeholders. The Sale and final reconciliation under the Consulting Agreement is expected to be completed before this date. Further, the Express Canada Entities will be in a position to report to the court by that date with respect to any creditor claims that may be disputed in the proposed Claims Process.

43. Based on the dates in the proposed Claims Procedure Order and in the Sale Approval Order, the following are the key dates during the proposed extended Stay Period:

Proposed Date	Step
June 6, 2017	Monitor to distribute packages of claim materials (including the Claims Procedure Order) to non-employee creditors
June 15, 2017	End of the Sale and the last day of possession and occupation of Express Canada's leased premises
June 23, 2017	Monitor to send Statements of Employee Claim to employees
July 28, 2017	Claims Bar Date
September 15, 2017	Monitor to notify and give reasons for any revision or disallowance of claims
September 29, 2017	Stay extension date

44. The Express Canada Entities have confirmed, in consultation with the Monitor, that they have sufficient cash resources to complete the Sale and continue their responsible and orderly wind down through to September 29, 2017. I understand that the Monitor will be filing a second report


with the Court prior to the hearing of this motion which report will include an update of the cash position of the Express Canada Entities.

45. I believe that the Express Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down. I do not believe that any creditor will suffer any material prejudice if the Stay Period is extended as requested. I am also informed by the Monitor that it supports the request to extend the Stay Period.

SWORN BEFORE ME at the City of
Columbus, in the State of Ohio, on May 23,
2017.



Notary Public for the State of Ohio

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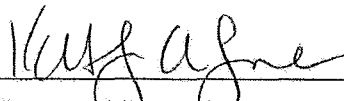
TODD PAINTER



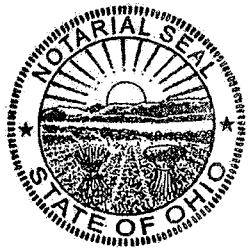
KATHRYN A. LANE
Notary Public, State of Ohio
My Commission Expires 07-17-2021

TAB A

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF TODD PAINTER,
SWORN BEFORE ME THIS
23rd DAY OF MAY, 2017.



Notary Public for the State of Ohio



KATHRYN A. LANE
Notary Public, State of Ohio
My Commission Expires 07-17-2021

Court File No. CV-17-11785-00CL

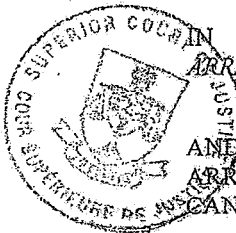
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)

THURSDAY, THE 4th

JUSTICE HAINEY)

DAY OF MAY, 2017



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 EXPRESS FASHION APPAREL
CANADA INC. AND EXPRESS CANADA GC GP, INC.

INITIAL ORDER

THIS APPLICATION, made by Express Fashion Apparel Canada Inc. ("Express Canada") and Express Canada GC GP, Inc. (together with Express Canada, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Todd Painter sworn May 3, 2017 and the Exhibits thereto (the "Painter Affidavit") and the pre-filing report dated May 3, 2017 of Alvarez & Marsal Canada Inc. in its capacity as proposed Monitor of the Applicants (in such capacity, the "Proposed Monitor"), and on hearing the submissions of counsel for the Applicants and Express Canada GC, LP (the "Partnership", and collectively with the Applicants, the "Express Canada Entities"), Express, LLC and the Proposed Monitor and on reading the consent of the Proposed Monitor to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies. Although not an Applicant, the Partnership shall enjoy the benefits of the protections and authorizations provided by this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants, individually or collectively, shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Express Canada Entities shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Express Canada Entities shall continue to carry on business in a manner consistent with the preservation of the value of their business (the "Business") and Property. The Express Canada Entities shall each be authorized and empowered to continue to retain and employ the employees, advisors, consultants, agents, experts, appraisers, valuers, brokers, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Express Canada Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Painter Affidavit or, with the consent of the Monitor, replace it with another substantially similar central

cash management system (the "Cash Management System") and that any present or future bank (or other similar entity) providing the Cash Management System (including, without limitation, Fifth Third Bank and Bank of America Merchant Services Canada Corp.) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Express Canada Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Express Canada Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in their capacity as provider of the Cash Management System, an unaffected creditor in these proceedings and under the Plan with regard to any claims or expenses they may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Express Canada Entities shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental and similar benefit plans or arrangements), amounts owing under the Credit Card (as defined in the Painter Affidavit), vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll processing expenses;
- (b) all outstanding or future amounts owing in respect of existing return policies, refunds, discounts or other amounts on account of similar customer programs or obligations;
- (c) all outstanding or future amounts related to honouring gift cards issued before or after the date of this Order;
- (d) the fees and disbursements of any Assistants retained or employed by the Express Canada Entities at their standard rates and charges;
- (e) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Express Canada Entities prior to the date of this Order by:

- (i) providers of credit, debit and gift card processing related services;
- (ii) logistics or supply chain providers, including customs brokers and freight forwarders and security and armoured truck carriers; and
- (iii) other third party suppliers up to a maximum aggregate amount of \$50,000, if, in the opinion of the Express Canada Entities, the supplier is critical to the Orderly Wind-down (as hereinafter defined).

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Express Canada Entities shall be entitled but not required to pay all reasonable expenses incurred by them in carrying on the Business in the ordinary course during the Orderly Wind-down after this Order, and in carrying out the provisions of this Order and any other Order of this Court, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the value of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Express Canada Entities following the date of this Order.

8. THIS COURT ORDERS that the Express Canada Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from the Express Canada Entities' employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Express Canada Entities in connection with the sale of goods and services by the Express Canada Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or

where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Express Canada Entities; and
- (d) taxes under the *Income Tax Act* (Canada) or other relevant taxing statute giving rise to any statutory deemed trust amounts in favour of the Crown in right of Canada or any Province thereof or any political subdivision thereof or any other taxation authority.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Express Canada Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any one of the Express Canada Entities to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order or any other Order of the Court.

ORDERLY WIND-DOWN

10. THIS COURT ORDERS that the Express Canada Entities shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their respective businesses or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as the relevant Express Canada Entity deems appropriate;

- (c) pursue all offers for sales of material parts of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any sale (except as permitted by paragraph 10(a) above); and
- (d) apply to this Court for such approval, vesting or other Orders as may be necessary to consummate sale transactions for all or any part of the Property, including, without limitation, approval of a consulting or liquidation agreement concerning the liquidation of inventory, furniture, fixtures, and equipment forming part of the Property, and any related relief.

all of the foregoing to permit the Express Canada Entities to proceed with an orderly wind-down of the Business (the "Orderly Wind-down").

REAL PROPERTY LEASES

11. THIS COURT ORDERS that until a real property lease to which Express Canada is a party is disclaimed in accordance with the CCAA or otherwise consensually terminated, Express Canada shall pay, without duplication, all amounts constituting rent or payable as rent under such real property lease (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under such lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Express Canada Entities or the making of this Initial Order) or as otherwise may be negotiated between Express Canada and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. THIS COURT ORDERS that Express Canada shall provide each of the relevant landlords with notice of its intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes Express Canada's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any

applicable secured creditors, such landlord and Express Canada, or by further Order of this Court upon application by Express Canada on at least two (2) days' notice to such landlord and any such secured creditors. If Express Canada disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to Express Canada's claim to the fixtures in dispute.

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

STAY OF PROCEEDINGS

14. THIS COURT ORDERS that until and including June 3, 2017, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Express Canada Entities or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Express Canada Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Express Canada Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Express Canada Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Express Canada Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Express Canada Entities to carry on any business which the Express Canada Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Express Canada Entities, except with the prior written consent of the Express Canada Entities and the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the relevant Express Canada Entity shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of this Order.

CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Express Canada Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefits services, insurance, warranty services, freight services, transportation services, customs clearing, warehouse and logistics services, utility or other services to the Business or the Express Canada Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Express Canada Entities, and that the Express Canada Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Express Canada Entities in

accordance with normal payment practices of the Express Canada Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Express Canada Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Express Canada Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

EMPLOYEE RETENTION PLAN

19. THIS COURT ORDERS that the Employee Retention Plan (the "ERP"), as described in the Painter Affidavit, is hereby approved and the Express Canada Entities are authorized to make the payments contemplated by the ERP.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Express Canada Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Express Canada Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Express Canada Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the Express Canada Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. THIS COURT ORDERS that the Express Canada Entities shall jointly and severally indemnify their directors and officers against obligations and liabilities that they may incur as

directors or officers of the Express Canada Entities after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. THIS COURT ORDERS that the directors and officers of the Express Canada Entities shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 33 and 35 herein.

23. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Express Canada Entities' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

24. THIS COURT ORDERS that Alvarez & Marsal Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Express Canada Entities with the powers and obligations set out in the CCAA or set forth herein and that the Express Canada Entities and their affiliates, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Express Canada Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Express Canada Entities' receipts and disbursements;

- (b) assist with the Orderly Wind-down of the Business and operations of the Express Canada Entities;
- (c) liaise with Assistants, to the extent required, with respect to all matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, certain shared services provided to the Applicants by Express U.S. during the Orderly Wind-down and such other matters as may be relevant to the proceedings herein;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants in their preparation of their cash flow statements and the dissemination of other financial information;
- (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Express Canada Entities, wherever located and to the extent that is necessary to adequately assess the Express Canada Entities' business and financial affairs or to perform its duties arising under this Order;
- (i) oversee and consult with the Express Canada Entities, any liquidation agent, and any Assistants retained (including brokers), to the extent required, with respect to any and all wind-down activities and/or any marketing or sale of the Property and the Business or any part thereof;
- (j) be at liberty to engage independent legal counsel or such other persons, or utilize the services of employees of its affiliates, as the Monitor deems necessary or advisable

respecting the exercise of its powers and performance of its obligations under this Order;

- (k) be at liberty to serve as a "foreign representative" of the Express Canada Entities in any proceeding outside Canada; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

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

27. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. THIS COURT ORDERS that the Monitor shall provide any creditor of the Express Canada Entities with information provided by the Express Canada Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information

disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Express Canada Entities is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Express Canada Entities may agree.

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

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Express Canada Entities shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of this Order, by the Express Canada Entities as part of the costs of these proceedings. The Express Canada Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Express Canada Entities on a weekly basis and, in addition, the Express Canada Entities are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Express Canada Entities, retainers in the aggregate amount of \$250,000 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and counsel to the Express Canada Entities shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$650,000, as security for their professional fees and disbursements incurred at their respective standard rates, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 33 and 35 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

33. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as between them, shall be as follows:

First – Administration Charge (to the maximum amount of \$650,000); and

Second – Directors' Charge (to the maximum amount of \$500,000);

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

35. THIS COURT ORDERS that each of the Administration Charge and the Directors' Charge shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances"), except for (a) any Person with a properly perfected purchase money security interest under the *Personal Property Security Act* (Ontario) or any other personal property registry system, or (b) any Person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the application for this Order.

36. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Express Canada Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Administration Charge and the Directors' Charge, unless the Express Canada Entities also obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the Directors' Charge, or further Order of this Court.

37. THIS COURT ORDERS that the Administration Charge and the Directors' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any

bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Express Canada Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Express Canada Entities of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Express Canada Entities pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

SERVICE AND NOTICE

39. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Express Canada Entities of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided

that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available, unless otherwise ordered by the Court.

40. THIS COURT ORDERS that any employee of any of the Express Canada Entities that receives a notice of termination from any of the Express Canada Entities by electronic transmission or electronic mail shall be deemed to have received such notice of termination at the time that the notice of termination is sent.

41. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(1)(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: www.alvarezandmarsal.com/expresscanada (the "Monitor's Website").

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

43. THIS COURT ORDERS that the Express Canada Entities and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Express Canada Entities' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service

shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

44. THIS COURT ORDERS that the Express Canada Entities or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

45. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Express Canada Entities, the Business or the Property.

46. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Express 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 Express 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 Express Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

47. THIS COURT ORDERS that each of the Express Canada Entities and the Monitor be at liberty and is 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.

48. THIS COURT ORDERS that any interested party (including the Express Canada Entities and the Monitor) may apply to this Court to vary or amend this Order at the comeback motion scheduled for May 25, 2017, on not less than seven (7) calendar days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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



A. Anissimova
Registrar

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

MAY 04 2017

PER / PAR:



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

Court File No: CV-17-11785-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EXPRESS FASHION APPAREL CANADA INC. and EXPRESS
CANADA GC GP, INC.**

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

PROCEEDING COMMENCED AT TORONTO

ORDER

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

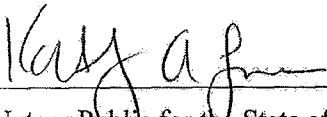
Tracy C. Sandler (LSUC #: 32443N)
Jeremy Dacks (LSUC #: 41851R)
W. David Rankin (LSUC# 63261P)

Tel: 416.362-2111
Fax: 416.862.6666

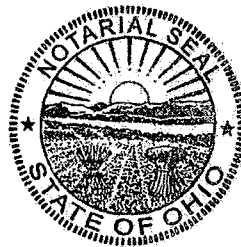
Lawyers for the Applicants

TAB B

THIS IS **EXHIBIT "B"**
TO THE AFFIDAVIT OF TODD PAINTER,
SWORN BEFORE ME THIS
23rd DAY OF MAY, 2017.



Notary Public for the State of Ohio



KATHRYN A. LANE
Notary Public, State of Ohio
My Commission Expires 07-17-2021

Court File No.

**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 **EXPRESS FASHION APPAREL
CANADA INC.** and **EXPRESS CANADA GC GP, INC.**

APPLICANTS

AFFIDAVIT OF TODD PAINTER
(Sworn May 3, 2017)

I, Todd Painter, of the City of New Albany, in the State of Ohio, the President of the Applicants Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the "Applicants"), MAKE OATH AND SAY:

1. This affidavit is made in support of an application by the Applicants for an Initial Order and related relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). Although the limited partnership Express Canada GC, LP ("Express Canada LP") is not an applicant in this proceeding, the Applicants seek to have a stay of proceedings and other benefits of an Initial Order under the CCAA extend to Express Canada LP, which is wholly owned by the Applicants and performs functions integral to the Applicants' business. Together, the Applicants and Express Canada LP are defined in this affidavit as the "Express Canada Entities".

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2. I am currently the Vice President – International of Express, LLC (“Express U.S.”), the direct parent company of Express Fashion Apparel Canada Inc. and the indirect parent company of Express Canada GC GP, Inc. In my rôle, I have ultimate oversight of Express U.S.’s operations outside of the United States, which includes Canada. I am also the President and sole director of each of the Applicants, positions that I have held since April 20, 2017. Prior to my appointment as President, since 2012, I served as Vice President of each of the Applicants and, prior to that, was Assistant Treasurer. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources for information, I have so stated and I believe them to be true. In preparing this affidavit, I have also consulted with former members of the Applicants’ boards of directors, senior management teams, senior management of certain of the Applicants’ affiliated companies, and the Applicants’ financial and legal advisors.

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

4. This affidavit is organized into the following sections:

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A. Introduction

5. Express Fashion Apparel Canada Inc. (“Express Canada”) operates 17 retail stores in premium malls in Ontario, Alberta, and British Columbia, selling apparel, accessories, and other products under the “EXPRESS” brand-name. As of January 28, 2017, Express, Inc., the indirect and ultimate parent of the Applicants, through its subsidiaries and affiliates, operated 656 stores across the United States, Canada and Puerto Rico, and had approximately 18,000 employees and approximately US\$2.2 billion in annual sales.

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6. Since entering the Canadian marketplace in 2011, Express Canada has struggled to reach critical mass and achieve profitability. Brand awareness remains low among Canadian consumers, occupancy costs have been unsustainable relative to sales, and unfavourable exchange rates have put and continue to put an enormous strain on the business.

7. Express Canada has experienced losses during each year of operations, and the majority of its Canadian locations have posted losses each year. The only reason Express Canada has survived over the past six years is because of the significant financial and operational support of its U.S. parent, Express U.S. Without this support as described in greater detail below, the Express Canada Entities cannot continue operating.

8. Express Canada's performance in fiscal 2016 (its year end was January 28, 2017) declined significantly. Its sales decreased by 9% in 2016, resulting in continued and increasingly negative cash flow. Its earnings before interest, taxes, depreciation, and amortization ("EBITDA") for 2016 were negative \$7.4 million, prior to taking into account accounting adjustments based on the transfer pricing policy discussed below.

9. Since 2011, Express U.S. has absorbed most of Express Canada's cumulative losses through market support adjustments under its transfer pricing policy. In essence, Express Canada buys all of its inventory for resale from Express U.S. and relies on operational, management, and administrative services provided by Express U.S. To date, Express U.S. has provided Express Canada with approximately \$56.4 million in market support credits. This was in addition to Express U.S.'s approximately \$30 million investment in Express Canada.

10. Given Express Canada's poor financial performance and resulting negative cash flow, Express U.S. has determined, after considering all reasonably available options, that it is in the

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best interests of its stakeholders to discontinue further financial and operational support for Express Canada. As a result, Express Canada cannot continue as a going concern. Express Canada has accordingly determined that it must cease operations in Canada and as a result of such decision, is insolvent and is seeking protection from its creditors under the CCAA.

11. Express Canada's resolution to cease operations has resulted in events of default under each of the 17 leases to which Express Canada is a party (collectively, the "Leases" and each, a "Lease"). These defaults have resulted in either the automatic acceleration of some or all rents due under the Leases or the ability of Express Canada's landlords (the "Landlords") to accelerate all rents due under the Leases. As a result, the claims of the Landlords under the Leases have crystallized. The remaining obligations over the term of the Leases are approximately \$120 million. Even after taking into account the obligation of the Landlords to mitigate their damage claims, the aggregate amounts owing to the Landlords under these Leases far surpass \$5 million. Further, the crystallized Landlord claims, arising from Express Canada's decision to cease operations, together with the Express Canada Entities' other debts, exceed the realizable value of the Express Canada Entities' assets and the Express Canada Entities have insufficient funds to satisfy all such claims. The Express Canada Entities are therefore insolvent.

12. To wind down operations in a responsible, controlled and orderly manner, and to maximize value for its stakeholders, Express Canada requires the flexibility of the CCAA and breathing space from the exercise of creditor remedies, as it prepares to liquidate its remaining inventory with assistance from a third-party professional liquidator and vacate its leased retail stores.

13. An orderly wind down requires the involvement of many stakeholders and Court supervision. Express Canada, in consultation with Alvarez & Marsal Canada Inc. (the "Proposed

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Monitor”), has selected a professional third party liquidator (Merchant Retail Solutions ULC) (the “Liquidator”) that it believes would assist in maximizing the potential proceeds from the sale of its remaining inventory and furniture, fixtures, and equipment. If an Initial CCAA Order is granted, the Applicants intend to promptly serve a motion seeking this Court’s approval of an orderly Realization Process (as defined below) and of the selection of the Liquidator to assist with this process.

14. The liquidation professionals at the Liquidator advise, and I believe, that Express Canada’s active participation in this orderly wind down process, along with the support of Express U.S., is essential to maximizing recoveries for the benefit of the stakeholders of the Express Canada Entities, as a whole. In turn, this engages:

(a) *Express Canada’s employees*, including the district manager, front-line sales associates and store managers, who have expertise in the operations of Express stores. Express Canada proposes to implement an employee retention program that would see them paid until June 15, 2017 and, for some employees, a small bonus;

(b) *Express Canada’s landlords and other suppliers*, such as its credit card processor, with whom Express Canada will need to engage during the critical window of time available for the realization of assets. To maximize recovery, Express

Canada must complete the realization phase of this proceeding before the summer season (which is traditionally slow for Canadian apparel retailers), leaving it only a matter of weeks to complete the process. Express Canada will need to engage with the Landlords to understand their concerns during the Realization Process, including in respect of liquidation signage and store hours, with a view to arriving

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at a consensual process that benefits the stakeholders of the Express Canada Entities, as a whole; and

- (c) *Express U.S.*, which provides all back-office business and administrative support services. As set out above, without these services, Express Canada could not operate and would be forced to immediately shut down, to the detriment of its stakeholders. Express U.S. also owns all trademarks and other intellectual property (“IP”) associated with the “EXPRESS” brand-name, which Express Canada must licence to conduct its business. Thus, without Express U.S.’s agreement to continue providing critical services and licencing IP during the wind down process, the Realization Process would be impeded and disorderly.

15. Express U.S. has terminated its agreements with Express Canada for the provision of management services and IP, replacing them with shared-service and licencing agreements for the limited purposes of an orderly wind down. I am advised by senior management of Express U.S., and believe, that Express U.S. will only agree to continue providing these crucial services and licencing IP on the condition that the orderly wind down is supervised by the Court in accordance with the CCAA. As the sole director of the Applicants, in consultation with my advisors, I have concluded that this Application under the CCAA and the proposed Initial Order is the best alternative that is available to the Express Canada Entities, will maximize realizations and will result in the best possible outcome for stakeholders in the circumstances.

16. Previously, Express Canada implemented a number of strategies to avoid winding down its operations. Over the past few years, it has attempted to address the challenges of operating its business in Canada, including by approaching certain of the Landlords to reduce occupancy costs. Certain of the Landlords were supportive, and this initiative resulted in some rent relief.

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However, despite the foregoing rent relief, Express Canada continued to operate at a loss as it was not enough to overcome declining sales and unfavourable exchange rates – even when combined with Express Canada’s strategic initiatives to improve operations, such as modifying merchandising, pricing, and promotional strategies, and investing in marketing and analytics.

17. Express Canada has subsequently explored other strategies to bring operating costs in line with sales, including potentially seeking significantly larger rent reductions, variable rent structures based on future sales levels, and closing poorer performing locations. None of these alternatives provide realistic solutions. Despite considerable effort, the business in Canada is no longer sustainable.

18. As noted above, a significant contributor to the lack of viability of Express Canada’s business is high operating costs, in particular, rent and other payments to Landlords. Given the performance of the Canadian stores, however, further rent reductions to bring the operating costs in line with sales are not considered to be commercially achievable. Express Canada’s occupancy costs as a percentage of sales are trending in the range of 40% which I understand is significantly higher than industry benchmarks and are unsustainable. This problem would only become worse with time, as Express Canada’s Leases provide for escalating rent payments over the remaining lease terms (approximately 4 $\frac{3}{4}$ to 7 $\frac{3}{4}$ years each). The magnitude of rent reductions needed, considering the decreasing top-line sales, would simply not be realistic.

19. Recently, in light of the poor operating results in fiscal 2016, Express U.S. and Express Canada again reviewed all potential options for the Canadian business. However, with the cumulative losses generated by the business, the unfavourable exchange rate, the poor retail climate in Canada, and unsustainable operating costs, it was determined that the only option is for Express Canada to wind down operations in each of its 17 Canadian retail stores.

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20. The Liquidator has extensive experience in the Canadian retail market and has worked cooperatively with Canadian landlords on numerous other engagements to conduct orderly retail liquidations. However, each of Express Canada's Leases requires continuous operation in the leased premises and restricts any sort of liquidation sale. Express Canada has taken these restrictions into account in its decision to wind down operations; however, the exercise of any contractual remedies by any of the Landlords without leave of the Court, would affect the time-sensitive Realization Process. Express Canada believes that the flexibility of the CCAA and the assistance of this Court is required to provide a platform for a consensual resolution of any issues with the Landlords and to achieve maximum recoveries.

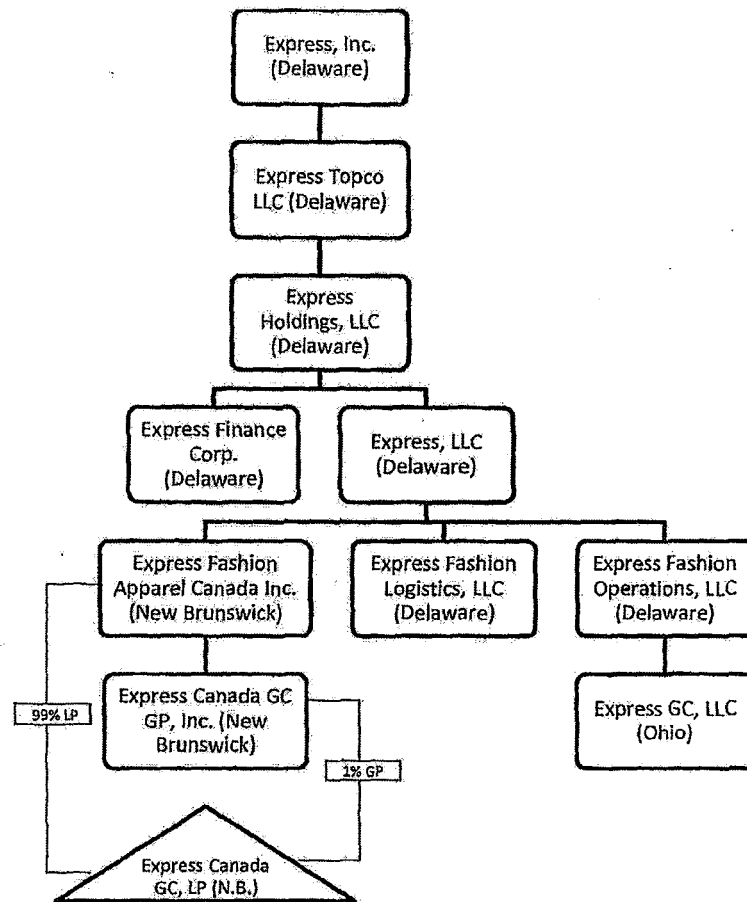
21. In summary, the Express Canada Entities require a stay of proceedings and related relief under the CCAA in order to continue operating throughout the contemplated orderly wind down and Realization Process. The stay will provide the Express Canada Entities with the flexibility to implement an orderly and responsible cessation of operations, with the ultimate goal of developing a plan or arrangement for the benefit of all of their stakeholders.

B. Corporate Structure

(a) Express Fashion Apparel Canada Inc.

22. Express Canada is a New Brunswick corporation with its registered head office in Saint John, New Brunswick. As illustrated below, Express Canada is an indirect wholly-owned subsidiary of Express, Inc., a Delaware corporation traded on the New York Stock Exchange under the ticker symbol "EXPR". The solid lines show a direct parent-subsiidiary relationship:

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23. Express Canada is 100% directly owned by Express U.S. (Express, LLC), a Delaware limited liability company.

24. As stated above, I became a director of Express Canada on April 20, 2017 and I am currently the sole director. On April 20, 2017, the two then-current directors of Express Canada were removed from their positions. I am also currently the sole officer of Express Canada, holding the position of President since April 20, 2017.

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25. Express Canada is the operating company in Canada and is the counterparty to the retail store Leases. As explained below, it licences the IP and purchases all of its merchandise for resale from its parent, Express U.S., and conducts the Express retail operations in Canada.

(b) Express Canada GC GP, Inc. and Express Canada GC, LP

26. The Applicant, Express Canada GC GP, Inc. ("Express Canada GC") is a New Brunswick corporation with its head office in Saint John, New Brunswick. As shown in the chart above, Express Canada GC is a direct subsidiary of Express Canada. Accordingly, Express Canada GC is also an indirect subsidiary of Express U.S.

27. I became a director of Express Canada GC on April 20, 2017 and I am currently the sole director. On April 20, 2017, the two then-current directors of Express Canada GC were removed from their positions. I am also currently the sole officer of Express Canada GC, holding the position of President since April 20, 2017.

28. Express Canada GC is the general partner of Express Canada LP, a limited partnership existing under the laws of New Brunswick. As indicated in the chart above, Express Canada GC holds a 1% interest in Express Canada LP, with the remaining 99% being held by Express Canada.

29. As explained in more detail below, Express Canada LP issues Gift Cards (defined below)

that are redeemable for Express merchandise in Canadian stores and online. Express Canada LP is therefore integral to the operations of the Express Canada Entities. Express Canada LP is also party to certain of the agreements with third parties that distribute Gift Cards.

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C. Chief Place of Business

30. The chief place of business of the Applicants is Ontario. Although the Applicants' registered head offices are located in New Brunswick, 11 of their 17 retail stores are located in Ontario. Express Canada therefore has more retail stores and sales in Ontario than in any of the other provinces in which it operates. Further, the majority of Express Canada's employees work in Ontario, and none in New Brunswick.

D. The Business of the Applicants

(a) Canadian Apparel Retail Industry

31. Canadian clothing and accessories retail stores generated aggregate sales revenue of approximately \$31.4 billion in 2016.¹ The retail apparel industry is highly competitive. In Canada, Express Canada's major competitors include Banana Republic, The Gap, Arizia, H&M, Zara, and Garage, among many others.

32. The competitive retail industry in Canada has undergone significant changes in the past several years. This includes the entry of new retail concepts, the significant growth of online shopping, and an increase in both the frequency and level of discounts offered by retailers through promotions delivered to customers in-store and online. As a result of these changes, many Canadian retailers have experienced financial challenges and have discontinued their operations, including Costa Blanca, Jacob, Mexx Canada, Smart Set, Target Canada, and BCBG Max Azria.

¹ Statistics Canada, Retail sales, by industry (unadjusted), online: <http://www.statcan.gc.ca/tables-tableaux/sum-som/101/cst01/trad15a-eng.htm>.

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(b) Express Retail Business

33. Express Canada opened its first stores in the Canadian marketplace in 2011. Express Canada's retail stores sell predominately private label merchandise under the "EXPRESS" label.

34. Express Canada's stores typically sell or carry the following categories of merchandise:

(a) Apparel and accessories, including clothing and apparel for men and women, accessories, and shoes; and

(b) Personal care products, including fragrances and certain cosmetic products.

35. Express Canada does not operate a separate e-commerce website. Although Canadian customers can purchase merchandise from www.express.com, U.S.-based entities, not the Express Canada Entities, operate this website and conduct transactions with consumers ordering from Canada.

(c) Leases and Retail Stores

(i) Store Formats and Locations

36. The typical format for Express Canada retail stores is a strategically located store in a premium mall or shopping centre. The average store size is approximately 8,900 square feet.

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37. Express Canada conducts business through 17 retail locations in Ontario, Alberta, and British Columbia. The following chart sets out Express Canada's current store locations by geographical region:

Province	Number of Express Canada Locations
<i>Ontario</i>	11
<i>Alberta</i>	4
<i>British Columbia</i>	2
Total	17

38. All of the Express Canada Entities' retail operations are conducted in leased facilities. As of May 1, 2017, Express Canada, the lessee of all of the Leases, was to the best of its knowledge current on all of its lease obligations.

39. The Leases for Express Canada's retail stores are generally for terms of approximately 10 years, with between approximately 4 $\frac{3}{4}$ and 7 $\frac{3}{4}$ years remaining on their respective terms. Express Canada generally does not have the option to extend or renew its Leases beyond their existing terms, with the exception of the Lease in respect of the Express Canada store located in First Canadian Place, Toronto. This Lease contains the option for Express Canada to extend the Lease for one period of five years past the current term of the Lease.

(ii) Landlords

40. Express Canada leases stores across Canada from third party landlords. Express Canada's Leases are generally with large retail landlords who own malls and shopping centres across Canada.

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41. The legal entities that are Landlords vary within landlord groups, often because special purpose corporations within the landlord groups have title to real property leased to Express Canada. Express Canada's Leases can be organized among six landlord groups:

Landlord Group	Number of Express Canada Locations
<i>Brookfield</i>	1
<i>Cadillac Fairview</i>	11
<i>Ivanhoe Cambridge</i>	1
<i>Morguard</i>	1
<i>Oxford Properties</i>	2
<i>Triple Five</i>	1
Total	17

(iii) Lease Provisions

42. Typical of retail store leases in Canada, many of the Leases contain provisions that impact Express Canada store operations, including:

- (a) *Going-Out-of-Business Sale Restrictions*: All of Express Canada's retail Leases contain restrictions that relate to going out of business sales in one form or another, including in most cases blanket prohibitions on "bankruptcy sales", "going out of business sales", "liquidation sales", and other similar terms.
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- (b) *Operating Covenants*: All of Express Canada's retail Leases contain operating covenants that require Express Canada to continuously occupy and operate in the leased premises, with various levels of detail. Most Leases require Express Canada to continue to operate the entire leased premises.
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(iv) Express U.S. Indemnities

43. Nine of Express Canada's retail Leases are currently subject to indemnities granted by Express U.S. in favour of the applicable Landlord. At one time or another, Express U.S. provided indemnities for 14 of Express Canada's retail store locations. However, as of May 1, 2017, the indemnities for five of the Leases had expired, with Express U.S. having no ongoing liability under those Leases after December 31, 2016.

44. Eight of the remaining indemnities expire between January 31, 2022 and January 31, 2025. Although these indemnities originally expired on December 31, 2016, they were extended and capped in maximum value in exchange for rent relief pursuant to certain tenant assistance agreements with the applicable Landlords.

45. The final remaining indemnity is not capped and runs the entire term of the applicable Lease.

46. Each of the nine unexpired indemnities contains provisions to the effect that Express U.S.'s obligations are not affected by the bankruptcy, winding down, or other creditors' proceedings in respect of Express Canada or the disclaimer of the applicable Lease.

(d) Merchandising and Sourcing

47. Express Canada sources merchandise for retail sale exclusively from Express U.S. Before it was terminated on May 3, 2017 (as discussed below), these transactions were governed by a purchasing agreement effective as of October 1, 2011 between Express U.S. and Express Canada ("Purchasing Agreement"). Attached to my affidavit as Exhibit A is a copy of the Purchasing Agreement. Under this agreement, Express U.S. sourced and sold retail products to Express

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Canada. Express Canada then purchased these products from Express U.S. in agreed quantities at Express U.S.'s original acquisition cost.

48. Express U.S. ships inventory to Express Canada multiple times each month, with legal title transferring when the merchandise leaves the Ohio shipping building destined for Canada.

49. Express Canada has no direct third party merchandise suppliers, which significantly reduces the number of arm's length creditors of Express Canada.

50. The prices charged by Express U.S. to Express Canada for retail products provided to Express Canada under the Purchasing Agreement are calculated to provide Express Canada with an appropriate operating margin based on a transfer pricing study and Express U.S.'s transfer pricing policy last updated on October 31, 2016 ("**Transfer Pricing Policy**"). Attached to my affidavit as **Exhibit B** is a copy of the Transfer Pricing Policy. The overall objective of the Transfer Pricing Policy is to price transactions between Express Canada and Express U.S. in accordance with the terms and conditions that are similar to those which would govern an arm's length transaction. This analysis includes reviewing financial benchmark data for comparable third party companies to estimate the operating margins that an arm's length retailer (comparable to Express Canada's business) would expect to achieve.

51. The intercompany transfer prices recorded for products sold to Express Canada are based on Express U.S.'s original acquisition cost. Monthly invoices are issued by Express U.S. to Express Canada (in an electronic format) to record the intercompany purchases. At month end, a market support adjustment, derived from Express U.S.'s transfer pricing policies, is recorded such that Express Canada achieves a targeted operating income of approximately 3% of sales. Because Express Canada has been operating at a loss since inception, the market support

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adjustment provides a benefit to Express Canada, significantly reducing the price it pays for inventory purchases and other services described below. That is, at the end of each month, Express Canada's performance is reviewed to determine the extent of its losses. To compensate for such losses and to provide Express Canada with the targeted operating income, Express U.S. applies the market support adjustment to effectively reduce the prices paid by Express Canada for inventory and other services.

52. The monthly market support adjustments result in Express U.S. generating consistent and growing losses on the sale of retail products and the provision of services to Express Canada. For the fiscal year ended January 28, 2017, Express Canada received the benefit of market support adjustments totalling approximately \$12.8 million, effectively reducing its operating costs by this amount. Likewise, Express Canada received the benefit of adjustments of approximately \$12.3 million and \$11.5 million in fiscal 2014 and fiscal 2015, respectively.

53. Since establishing Express Canada in 2011, Express U.S. has provided a total of approximately \$56.4 million in market support credits to Express Canada. This amount is in addition to Express U.S.'s investment in Express Canada of approximately \$30 million.

54. Effective May 3, 2017, Express Canada and Express U.S. agreed to terminate the Purchasing Agreement. Express Canada does not intend to order any additional merchandise from Express U.S. during the CCAA proceedings. It does intend to receive the product that has already left the Ohio shipping building as title has already transferred to Express Canada.

55. Pursuant to the CCAA Services Agreement (as defined below), the Transfer Pricing Policy will cease to have effect as between Express U.S. and Express Canada as of May 3, 2017.

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(e) **Support Services of Express U.S.**

56. Express Canada's business is dependent on Express U.S. for administrative and business support services, including legal, accounting/finance, internal audit, treasury, tax, insurance/risk management, information technology ("IT"), store operations, procurement, real estate, marketing, and logistics services (collectively, "Shared Services"). Prior to May 3, 2017, Express U.S. provided these Shared Services from its head office in Ohio under a shared services agreement effective as of October 1, 2011 between Express U.S. and Express Canada (the "Services Agreement"). Without the Shared Services, the situation in the Canadian business would be chaotic. Express Canada cannot operate or function without the provision of the Shared Services from Express U.S. and, if the Shared Services were not provided, would be required to immediately cease operations. Attached to my affidavit as **Exhibit C** is a copy of the Services Agreement.

57. Under the Transfer Pricing Policy described above, Express Canada remunerates Express U.S. for Shared Services provided under the Services Agreement at cost, invoiced quarterly. Express U.S. calculates the actual total Shared Services costs incurred each quarter. Actual costs are pooled enterprise wide at year-end, with estimates being used for interim quarters based on the previous year's costs. These costs for Shared Services cover, among other things, wages and benefits of employees engaged in the performance of Shared Services, the costs of supervising the employees, and employees' insurance. The actual costs are allocated to Express Canada based on relevant factors, such as the number of stores, relative percentage of overall sales, and time studies.

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58. For the fiscal year ending January 28, 2017, Express Canada incurred a total of approximately \$1.1 million in fees for Shared Services. In the previous fiscal year, these service fees totalled approximately \$1.5 million.

59. On May 3, 2017, Express U.S. and Express Canada agreed to terminate the Services Agreement effective May 3, 2017. Express U.S. and the Express Canada Entities entered into a new administrative services agreement effective May 3, 2017 (the "CCAA Services Agreement") for Express U.S. to continue providing Shared Services solely for the purposes of effecting an orderly wind down as part of a CCAA proceeding. A copy of the CCAA Services Agreement is attached to this affidavit as **Exhibit D**.

60. Under the CCAA Services Agreement, the Express Canada Entities agreed to pay an arm's length fee to Express U.S. for the provision of Shared Services. It is anticipated that the total cost to Express Canada for the Shared Services during the orderly wind down will be approximately \$200,000, plus certain costs for Canadian expenses paid for by Express U.S. As the Transfer Pricing Policy will no longer apply after the Applicants file this Application under the CCAA, the market support adjustments described above will not continue to effectively reduce the costs of Shared Services to Express Canada.

61. The CCAA Services Agreement will only stay in effect for the duration of the CCAA proceedings. Express U.S. would not be prepared to provide these Shared Services to a third party.

(f) Intellectual Property

62. All IP relating to the "EXPRESS" brand is owned by Express U.S. Pursuant to a licence agreement effective as of September 20, 2011 (the "Licence Agreement"), Express U.S. granted

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Express Canada a non-exclusive right to use the "EXPRESS" name, trademarks, and copyrights, together with related advertising materials and other marketing IP (including, for example, all advertising, promotional materials, store layouts and designs, product designs and store signage). Attached to my affidavit as **Exhibit E** is a copy of the Licence Agreement.

63. Although the Licence Agreement provided for Express Canada to pay Express U.S. a royalty determined in accordance with the applicable transfer pricing study, Express U.S. has in fact never charged Express Canada a royalty fee, as the Canadian retail operations were viewed by Express U.S. as a start-up. The suspended royalty fee has not accrued as a debt owing to Express U.S. and is not a liability of Express Canada.

64. On May 3, 2017, Express U.S. and Express Canada agreed to terminate the Licence Agreement effective May 3, 2017. Express U.S. and Express Canada entered into a new licence agreement effective as of May 3, 2017 (the "CCAA Licence Agreement") for Express U.S. to grant Express Canada a royalty-free licence to use the essential IP for the duration, and limited purposes, of the wind down and realization process. A copy of the CCAA Licence Agreement is attached to this affidavit as **Exhibit F**. Express U.S. would not grant a royalty-free licence to use its IP to any third party.

(g) **Employees**

65. As of the April 28, 2017 pay date, Express Canada employed 56 full-time employees and 283 part-time employees. A typical Express Canada store is staffed by 20 employees, with additional coverage during holidays and peak selling periods. The staff includes both full and part-time sales associates and store management (assistant managers, co-managers and store managers). With the exception of one district manager, all of Express Canada's employees are

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store level employees. Sales associates report to and work under the supervision of the store management. The store managers oversee and are responsible for operations in their store, and report to the Express Canada district manager.

66. Store managers and the district manager are compensated through base salary and both company paid and partially company paid benefits, unless they opt out. Other sales associates are paid hourly wages; full time sales associates are also compensated with both company paid and partially company paid benefits, unless they opt out. In addition, store managers, co-managers, assistant managers, and the single district manager are eligible to receive bonuses if revenue and other certain targets are reached or exceeded, subject to the terms and conditions of the bonus program(s). Express Canada reserved the right to change or update the bonus program(s) at any time. Given the current performance of the Canadian stores, there are no outstanding bonuses payable. As of the filing of this Application, all existing bonus programs available to employees of Express Canada have been terminated and will be replaced by the employee retention program described in more detail below.

67. There are no registered pension plans or stock option plans for the Express Canada's managers or other employees. The employees are non-unionized and there is no collective agreement applicable to any of the retail store operations.

68. As of April 21, 2017, 51 Express Canada associates were enrolled in the health benefits program providing supplemental medical, pharmacy, dental, life insurance, and disability programs. Express Canada has also established a group RRSP for employees who have completed at least one year of service (at least 1,000 hours worked in the year). Express Canada matches the first 4% that the employee saves of their eligible compensation through the program. As of May 1, 2017, only four Express Canada associates were enrolled in the group RRSP,

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which had a balance of \$70,216 administered by Desjardins Financial Security Life Assurance Company. During the orderly wind down, Express Canada proposes to continue matching the participating employees' RRSP contributions.

69. Employees enrolled in the group RRSP are given the option under the plan to: (1) transfer their plan to a registered pension plan; (2) transfer their plan to an individual RRSP; or (3) receive plan contributions plus any investment earnings in cash, subject to any withholding taxes (except for locked-in contributions and investment earnings transferred from a registered pension plan, which cannot be paid in cash, but which must be transferred pursuant to applicable laws). Express Canada intends to assist the associates participating in the group RRSP in dealing with their investments as part of these proceedings.

70. Express Canada employees are also eligible to receive discounts on purchases of Express merchandise, subject to the terms and conditions of the employee discount policy. During the orderly wind down, Express Canada proposes to continue the employee discount policy for a period of time.

71. Express Canada's payroll is processed by Express U.S., with Canadian withholding taxes and benefits being processed by Ceridian Canada Ltd. For 2016, Express Canada's average biweekly payroll was approximately \$218,000 (or \$5.7 million annually). None of Express Canada's employees are paid or employed by Express U.S., or any other U.S. based entity.

(h) Gift Cards

72. Express Canada customers can purchase gift cards ("Gift Cards") to be redeemed for merchandise in Express Canada stores (that is, only in brick-and-mortar Express stores located in Canada) or through the e-commerce website at www.express.com.

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73. Gift Cards sold in Canada were generally issued by Express Canada LP and are sold in Express Canada stores and through third party gift card sellers in Canada, including InComm Canada Prepaid, Inc. ("InComm"), CardSwap Inc., and National Gift Card Corp. As of April 1, 2017, the Express Canada Entities had an approximately \$423,000 liability for outstanding Gift Cards (with approximately \$370,000 of that liability being that of Express Canada LP, and with the remaining \$53,000 liability being that of Express Canada). As Express Canada receives the proceeds from the sale of Gift Cards, it owes a payable to Express Canada LP of \$377,000, although Express Canada is insolvent. These are the only assets and liabilities of Express Canada LP, making it insolvent. I understand that the Applicant Express Canada GC, as the general partner of Express Canada LP, is ultimately liable for the obligations of Express Canada LP. Express Canada GC has no material assets and is therefore also insolvent.

74. The largest distributor of Gift Cards is InComm, although it has not ordered any new Gift Cards for distribution through its kiosks since 2015. The Gift Cards that InComm distributes are inactive until they are sold to customers. When such a Gift Card is sold, the card is activated and a percentage of the sale proceeds is retained by InComm, with the balance of the sale proceeds paid to Express Canada. Before the Gift Card is activated, it does not represent a liability for any of the Express Canada Entities.

75. The other third party gift card sellers in Canada distribute pre-activated Gift Cards. However, less than \$2,000 is outstanding for Gift Cards sold through these other gift card sellers.

76. It is proposed in the Initial Order that outstanding Gift Cards will be honoured by Express Canada in the ordinary course at its retail locations but that further Gift Cards would not be sold or activated. Express Canada intends to direct its third party service provider responsible for activating Gift Cards to cease doing so as of the filing of this Application. This will not affect

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outstanding Gift Cards. In the view of Express Canada and the Liquidator, honouring outstanding Gift Cards will promote goodwill among customers during the orderly wind down and will assist in maximizing value for stakeholders as a whole by, among other factors, attracting customers to the Canadian retail stores. For similar reasons, it is proposed in the Initial Order that existing return policies for merchandise purchased prior to this Application be honoured during the wind down.

(i) Suppliers

77. As noted, Express Canada has no third party inventory suppliers (all inventory is purchased from Express U.S.) and therefore has a much smaller creditor profile than other retailers who purchase their inventory directly from third party suppliers.

78. Certain logistics services are supplied to Express Canada by Mast Logistics Services, Inc. ("Mast"). However, Mast contracts directly with Express U.S. and not Express Canada for the provision of Canadian logistics services. These logistics services are included in the Shared Services that Express U.S. provides to Express Canada.

79. Since September 2016, all of Express Canada's credit and debit card transactions have been processed exclusively by Bank of America Merchant Services ("BAMS"). Express Canada relies on the services of BAMS to operate, as it would otherwise be unable to accept credit and debit cards in its retail stores. It is therefore proposed that the services provided by BAMS be continued under the protections in the proposed Initial Order and that BAMS be unaffected by any Plan filed by the Applicants in the CCAA proceedings.

80. Express Canada retail stores are also supplied with essential utilities (*e.g.*, water, fuel and electricity), at Express Canada's expense, which, depending on the terms of the particular Lease,

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may be paid to the Landlord at first instance. The continuous provision of these utilities is essential to operations.

(j) Banking and Cash Management Systems

81. Express Canada maintains a centralized cash management system which is administered by Express U.S. from the Columbus, Ohio head office to collect, transfer, and disburse funds generated by the operations of Express Canada (the "Cash Management System").

82. Express Canada is wholly dependent upon Express U.S. for all treasury, banking and related services that are provided by Express U.S.

83. Express Canada has eight bank accounts, each maintained at Fifth Third Bank. Secured receipts and debit/credit card receipts are deposited into separate deposit accounts on a daily basis. These deposit accounts are zero balance Canadian dollar accounts and funds are transferred electronically on a daily basis into a single master account (the "Canadian Master Account").

84. Express Canada maintains five disbursement accounts that process all outgoing wires, Automatic Clearing House (ACH) and cheque payments for disbursements to landlords, vendors, employees, Express U.S. for inventory purchases and intercompany charges, and for taxes. These disbursement accounts are funded by the Canadian Master Account.

85. Express Canada provides a credit card to the Canadian district manager (the "Credit Card") primarily for travel, store, and other miscellaneous expenses. Express Canada estimates that, on average, approximately \$1,800 is charged to the Credit Card on a monthly basis and that, as of April 27, 2017, approximately \$1,200 was accrued and unpaid under the Credit Card.

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86. Express U.S.'s Cash Committee meets on a regular basis to monitor, among other things, the cash needs of Express Canada. In addition, Express U.S.'s Financial Planning and Analysis department provides forecasts of income and expenses for Express Canada to assist with the evaluation of available cash for the year.

E. Financial Position of Express Canada and Express Canada GC

87. As a publicly traded company, Express, Inc. files consolidated financial statements with the U.S. Securities and Exchange Commission. These financial statements include the consolidated results of operations in the U.S., Canada, and other regional markets. A copy of Express, Inc.'s audited financial statements as of January 28, 2017 is attached as **Exhibit G** to this affidavit.

88. Express U.S. prepares stand-alone balance sheets for Express Canada's operations, a copy of which as at April 1, 2017 is attached as **Exhibit H** to this affidavit. These balance sheets reflect the consolidated financial position of all of the Express Canada Entities and have not been audited. Certain information contained in these unaudited balance sheets is summarized below.

(a) Assets

89. As at April 1, 2017, the Express Canada Entities had combined total assets with a book value of \$28,631,726.69, consisting of \$21,147,585.64 in current assets and \$7,484,141.05 in long-term assets.

90. The Express Canada Entities' asset position reflects that, in the past 12 months, Express Canada paid approximately \$18.1 million to Express U.S. to reduce or pay off intercompany balances, including payments in respect of past inventory purchases and for the provision of

Shared Services by Express U.S., net of the benefits received through the Transfer Pricing Policy. These intercompany balances are described more fully below.

(i) **Current Assets**

91. As at April 1, 2017, the Express Canada Entities' current assets consisted of the following:

- (a) *Cash and cash equivalents* – \$13,796,404.68
 - (b) *Net receivables* – \$279,152.59, reflecting receivables related to HST/GST payments.
 - (c) *Inventories* – \$5,434,591.72, reflecting the actual cost of the inventory acquired from Express U.S. As discussed above, owing to the market support adjustments, the amounts that Express Canada paid for this inventory were ultimately substantially less.
 - (d) *Prepaid rent* – \$1,393,461.63, reflecting amounts for April rent. As April rent had not yet been expensed, a corresponding account payable was booked as a liability.
 - (e) *Other current assets* – \$243,975.02, including other prepaid amounts, such as prepaid insurance and amounts paid for marketing services.
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92. The majority of the Express Canada Entities' current assets are therefore comprised of cash and cash equivalents and inventories.

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(ii) Non-Current Assets

93. As at April 1, 2017, the Express Canada Entities' non-current assets consisted of the following:

(a) *Property and equipment – approximately \$7.5 million*, reflecting the depreciated book value of fixed assets and furniture in Express Canada's retail stores. These assets were generally acquired through Express U.S.'s approximately \$30 million investment in Express Canada, described below under Shareholder's Equity. The assets have subsequently depreciated in value, as reflected in the books and records of Express Canada.

(b) *Other non-current assets – \$7,200.00*

94. Given the Transfer Pricing Policy, Express Canada had no tax losses to create a deferred tax asset. Given the Licence Agreement and the fact that IP in the "EXPRESS" brand is owned by Express U.S., Express Canada has no non-current assets or goodwill related to tradenames or trademarks.

(b) Liabilities

95. As at April 1, 2017, the Express Canada Entities' total liabilities were approximately \$11,918,759.34, consisting of current liabilities of \$2,094,635.59 and long-term liabilities of \$9,824,123.75. These liabilities as at April 1, 2017 did not reflect the contingent claims of Landlords for future rent payments for the remaining terms of the Leases, which have crystallized by Express Canada's decision to cease operations and corporate actions taken in connection with such decision.

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(i) Current Liabilities

96. As at April 1, 2017, the Express Canada Entities' current liabilities included:
- (a) *Accounts payable* – \$1,377,719.56, including the corresponding accounts payable for pre-paid rent (discussed above) (approximately \$1.1 million of the total accounts payable) and amounts owing to other third party trade creditors (approximately \$300,000 of the total payables).
 - (b) *Deferred revenue* – \$423,008.59, reflecting the amount of outstanding Gift Cards.
 - (c) *Accrued expenses and other liabilities* – \$1,021,643.27, consisting of amounts accrued in respect of sales taxes, salary and vacation pay, and other third party trade creditors.
 - (d) *Intercompany liabilities* – (\$727,735.83), reflecting a balance owing by Express U.S. to Express Canada (given the timing of intercompany transfers and adjustments). This intercompany balance is described more fully below.

(ii) Long-Term Liabilities

97. As at April 1, 2017, the Express Canada Entities' long-term liabilities included deferred lease credits of \$9,824,123.75, comprised of two long-term liabilities:
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- (a) *Tenant Allowances* – *Approximately \$3 million*, reflecting allowances received from Landlords to support leasehold improvements (*e.g.*, renovations), received at the beginning of the lease term and amortized over the life of the Lease. Approximately \$3 million of these allowances have not yet been amortized.
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- (b) *Straight Line Rent Accrual – Approximately \$6.9 million*, reflecting the accounting treatment of Express Canada's Leases, given that the rent payments escalate over time. For Leases of this nature, generally accepted accounting principles require Express Canada to calculate the average rent payment over the life of the Lease and to record Lease expenses consistently on that basis (*i.e.*, based on the average, rather than the actual cash rental payments, which increase over time). Based on this accounting treatment, in the early years of the Lease, the tenant accrues expenses that are higher than the actual cash payments (resulting in a cash advantage). However, the inverse is true for later periods, as the actual cash rent payments exceed the accrued rent expense. Generally accepted accounting principles require the tenant to record the benefit accrued in the early years as a long-term liability. This is common within the retail industry generally.

98. As set out above, as the sole director of Express Canada, in consultation with my advisors, I resolved on May 3, 2017 to cease operations and wind down the business. The realizable value of Express Canada's assets is insufficient to satisfy the claims of the Landlords, resulting from the cessation of operation, under their respective Leases, even after taking into account the mitigation obligation of the Landlords. Express Canada has insufficient financial resources to satisfy all such Landlord obligations. Accordingly, Express Canada is insolvent. As ~~noted above, Express Canada LP and Express Canada GC are independently insolvent given~~ Express Canada LP's Gift Card liability.

(c) **Stockholders' Equity**

99. As at April 1, 2017, the stockholders' equity in respect of the Express Canada Entities was \$16,712,967.35, consisting of the following:

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- (a) *Additional Paid in Capital* – \$29,563,661.26, reflecting Express U.S.’s investment in Express Canada. Although this investment was originally a debt owing by Express Canada to Express U.S., the debt was equitized on May 5, 2014. That is, Express U.S.’s investment became an equity investment (paid in capital) in Express Canada rather than a debt claim. This amount stays constant year-to-year on the Express Canada Entities’ balance sheet.
- (b) *Accumulated other comprehensive income* – (\$1,138.56)
- (c) *Retained earnings* – (\$12,849,555.35), reflecting Express Canada’s accumulated losses after taking into account the market support adjustment from Express U.S. Even though Express U.S. makes adjustments to ensure that Express Canada generates operating profits of 3%, Express Canada may still incur a net loss due to additional costs, such as asset impairments. Importantly, Express Canada has had to take impairments reflecting that certain of its stores are not viable. As a result, the retained earnings of the Express Canada Entities are negative notwithstanding the financial support of Express U.S.

100. Express U.S.’s losses from the expansion into Canada are much higher than the negative retained earnings entry on the balance sheet. Factoring out the market support adjustments ~~(which are built into the retained earnings entry), the retained earnings would reflect additional~~ losses of approximately \$56.4 million.

(d) **Earnings**

101. Since 2011, Express Canada has experienced yearly losses across the majority of its now 17 Canadian locations.

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102. For the fiscal year ended January 28, 2017, Express Canada generated revenue of \$45 million, or approximately \$295 per square foot of leased premises. These results lag behind Express U.S.'s operations and are insufficient to absorb Express Canada's occupancy costs.

103. Reflecting Express Canada's high occupancy costs (described in more detail below), its EBITDA in 2016 was negative \$7.4 million prior to taking into account the market support adjustments. These negative earnings take into account the straight-line impact of the short term rent concessions, discussed above, from certain Landlords. Without these concessions, EBITDA would have been even more unfavourable.

104. Most of Express Canada's losses are absorbed by Express U.S. on a monthly basis through the market support adjustments. As noted above, the Transfer Pricing Policy provides that Express U.S. sells inventory to Express Canada to maintain the latter's operating margin, the result being that Express Canada is able to purchase inventory from Express U.S. at significantly discounted prices. Thus, although the Express Canada Entities' balance sheets on their face reflect positive earnings for some years, this is because the losses have already been absorbed by Express U.S. through the pricing of inventory transfers. As Express U.S. has resolved to discontinue supporting Express Canada's losses, Express Canada cannot continue operating. As also noted above, notwithstanding Express U.S. absorbing most of the losses, Express Canada has still accumulated negative earnings exceeding \$12 million.

105. Of all of the 17 retail stores, only one Express Canada store generated positive EBITDA in 2016 in a nominal amount. Although certain stores' sales showed improvements in 2015, sales declined approximately 9% in 2016, resulting in increasingly negative cash flow.

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106. Express Canada's gross occupancy costs are currently trending in the range of 40% of its revenue which is significantly higher than industry benchmarks. As Express Canada's Leases provide for escalating rent payments, these unsustainable ratios would likely only worsen with time. This cost structure cannot be brought into sustainable levels with the sorts of temporary rent concessions that certain of the Landlords have previously been willing to offer. The magnitude of rent reductions that would be required to make Express Canada sustainable are not practical or realistic for either the Landlords or Express Canada.

107. The continued appreciation of the U.S. dollar relative to the Canadian dollar has added significant strain on the business. All of Express Canada's inventories are purchased in U.S. dollars, with merchandise necessarily being priced in stores competitively in Canadian dollars. Accordingly, given the weakness of the Canadian dollar, Express Canada (or Express U.S., to the extent it absorbs the loss) must pay relatively more for its inventory which is purchased in U.S. dollars, negatively impacting its profit margin.

108. Additionally, softness in the western Canadian market due to declining energy prices and the corresponding impact on consumer spending has depressed Express Canada's sales in this region.

(e) Intercompany Balance

109. As of April 1, 2017, there was an intercompany balance of \$727,735.83 owing by Express U.S. to Express Canada. However, the amounts owing either to/by Express Canada from/to Express U.S. depend on the timing of payments and the application of transfer pricing adjustments. At other times, Express Canada owes amounts to Express U.S. To the best of my knowledge, as of today's date, the April 1, 2017 intercompany balance will have reversed, such

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that Express Canada is now in a net debtor position with respect to Express U.S. Express Canada, in consultation with the Proposed Monitor, is in the process of reconciling the intercompany balance. If appointed as the monitor, the Proposed Monitor will provide an updated balance to the Court in a post-filing report.

110. At any given time, the intercompany balance reflects unpaid amounts due from Express Canada to Express U.S., such as amounts owing for inventory and Shared Services, and other adjustments to reimburse Express U.S. where it has undertaken costs on behalf of Express Canada (e.g., insurance or other amounts paid for Express Canada's benefit). The intercompany balance also reflects the market support adjustments in favour of Express Canada (which effectively reduced the amounts Express Canada owes to Express U.S. for inventory and Shared Services).

111. Express Canada incurs interest on the intercompany balance when net amounts are owing to Express U.S., and it earns interest on the balance when amounts are owed by Express U.S. In either case, interest is recorded quarterly in arrears based on an interest rate of 0.96% per annum.

112. Throughout the 2016 calendar year, the intercompany balance reflected a net balance owing by Express Canada to Express U.S. (i.e., it reflected a debt of Express Canada). Although Express Canada made periodic payments (totalling \$11 million) against this debt over the course of the 2016 calendar year to Express U.S., the balance owing to Express U.S. had increased by the end of the year (largely due to Express Canada's continued acquisition of inventory and its use of Shared Services). As of December 31, 2016, Express Canada owed Express U.S. a net liability of approximately \$9.6 million.

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113. In early January, 2017, Express Canada fully discharged this liability to Express U.S. by making a cash payment exactly equal to the balance owing as of December 31, 2016. Express Canada had sufficient cash resources to make this payment.

114. Following this payment, in January, 2017, intercompany adjustments reversed the balance between Express Canada and Express U.S., with Express U.S. becoming the debtor. In particular, Express U.S. continued to apply in Express Canada's favour the market support adjustments (reducing the purchase price of inventory and services sold to Express Canada) and other adjustments (including because Express Canada had overpaid for Shared Services fees in 2016 based on estimates).

115. From the end of January, 2017 to the end of March, 2017, the intercompany balance had been owing from Express U.S. to Express Canada. However, the balance in favour of Express Canada was reduced each month since the end of January, 2017, given that Express Canada continued to purchase inventory from Express U.S. and to utilize Shared Services for which fees were owing to Express U.S. These amounts were set off against the balance owing to Express Canada. As noted above, to the best of my knowledge, the intercompany balance will have reversed as of today's date, such that Express Canada currently owes a debt to Express U.S.

(f) **Secured Debt**

116. The only creditor that holds general security over the assets of Express Canada is Express U.S. There are no secured creditors of any of the other Express Canada Entities. PPSA search results for Ontario, Alberta, British Columbia, and New Brunswick are attached as **Exhibit I**.

117. Under a General Security Agreement dated as of January 5, 2017 (the "GSA"), Express Canada granted to Express U.S. a general security interest over substantially all of its Property

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and assets. Attached to my affidavit as Exhibit J is a copy of the GSA. The GSA secures any amounts owing from time to time by Express Canada to Express U.S., arising after January 5, 2017, including all future amounts owing under the Purchasing Agreement, the Services Agreement, and the License Agreement.

118. The GSA was entered into while Express U.S. and Express Canada were considering all options for the future of Express Canada. Express U.S. had already invested substantial amounts in Express Canada, and the performance of the Canadian business continued to deteriorate. In this context, and as part of the broader consideration of options, Express U.S. advised Express Canada that it required security in order for Express U.S. to continue to provide products and services to Express Canada under the Purchasing Agreement, the Services Agreement, and the License Agreement. Express Canada also provided the security in consideration for Express U.S. providing further accommodations, loans and extensions of credit under these agreements.

119. From January 5, 2017, when the GSA was entered into, until April 1, 2017, Express Canada accumulated an approximately \$875,000 payable owing to Express U.S. (which was secured under the GSA). This was offset by a receivable of approximately \$1.6 million owing to Express Canada by Express U.S., leaving the intercompany balance of \$727,735.83 owing to Express Canada. As noted above, I understand that the intercompany balance has reversed as of today's date, such that Express U.S. is now a secured creditor of Express Canada.

(g) Other Stakeholders

120. As of April 30, 2017, there were no outstanding litigation claims against the Express Canada Entities.

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121. Express Canada expects the Landlords to be a significant component of the creditor body. Trade claims by Express Canada's other suppliers are expected to be less than \$1 million.

F. Urgent Need for Relief

122. As described above, Express U.S. has provided Express Canada with approximately \$56.4 million in market support payments to support the expansion into Canada since 2011, in addition to its approximately \$30 million investment. However, after considering all reasonable alternatives, Express U.S. has determined that it will no longer invest resources in the Express Canada Entities and it will no longer support the continued operations of Express Canada at a loss.

123. In the past few years, Express Canada, with the assistance of Express U.S., has attempted to address its operating challenges, including by undertaking numerous strategic initiatives focused on improving profitability, including approaching the Landlords to reduce occupancy costs. For example, as a result of certain tenant assistance agreements discussed above, Express Canada was able to generate approximately \$3 million in annual cash savings for two years. However, certain of the other Landlords did not provide any relief.

124. As set out above, Express Canada has explored other strategies to reduce occupancy costs, including the possibility of larger, more permanent rent reductions, possible variable rent structures based on future sales, and closures of poorer performing locations. However, none of these potential strategies are achievable or practical.

125. In addition to reducing occupancy costs, Express Canada, with the assistance of Express U.S., implemented a number of operational improvement initiatives, including: (1) modifications to merchandising strategies, pricing, and promotional strategies; (2) investments in marketing,

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IT, analytics, and brand surveys; and (3) various other programs in an attempt to increase brand awareness and boost top line performance.

126. However, the temporary rent relief and Express Canada's operational initiatives have not been enough to compensate for declining sales and unsustainable occupancy costs relative to sales. Further, the temporary rent relief has not been enough to compensate for the unfavourable foreign exchange on inventory purchases. As Express U.S. purchases inventory in U.S. dollars and Express Canada sells it in Canadian dollars, the unfavourable exchange rates put strain on this business model.

127. Following a thorough review of Express Canada's poor performance and negative cash flow, and after the careful consideration of all options, I am informed by senior management of Express U.S. that the board of managers determined on May 3, 2017 that, in its business judgment, it is in the best interests of its business to discontinue its support of Express Canada and to focus instead on other regional markets.

128. Due to its operational and financial dependence on Express U.S., Express Canada cannot continue operations without the full support of Express U.S, including a licence to use Express U.S.'s IP relating to the "EXPRESS" brand name. As that support is no longer available, Express Canada has no choice but to cease operations in Canada and to conduct an immediate orderly and responsible wind-down of operations for the benefit of its stakeholders.

129. As set out above, the corporate actions of Express Canada, including the resolution to cease operations, have resulted in events of default under each of the Leases, which events of default have in turn, resulted in either the automatic acceleration of some or all rents due under the Leases or the ability of the Landlords to accelerate all rents due thereunder. I am aware that

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the Landlords have contingent claims for future rent payments and unpaid tenant allowances, and possibly other claims, under the long-term Leases that far exceed \$5 million and which, together with the Express Canada Entities' other liabilities, exceed the Express Canada Entities' total assets. As a result, without the funding and financial support from Express U.S. required to keep Express Canada operational, the Express Canada Entities have insufficient assets to satisfy their debts, cannot meet their obligations as they come due, and are therefore insolvent.

130. Express Canada has determined that an orderly and controlled wind down would be in the best interests of all stakeholders, including Landlords. However, the continued support, assistance and co-operation of Express U.S. is required to conduct an orderly and controlled wind down of Express Canada's operations. The continued provision of Shared Services by Express U.S. is essential for Express Canada to operate. Express Canada also requires a licence from Express U.S. to use the "EXPRESS" name and other IP to conduct an orderly realization of its remaining merchandise. I am informed by senior management of Express U.S. that the board of managers has determined that Express U.S. would only be willing to continue supporting Express Canada through the provision of Shared Services and IP if: (1) it is for the limited purposes of an orderly wind down; and (2) the wind down is court-supervised under the CCAA.

131. On May 3, 2017, after being informed of the decision of Express U.S. to discontinue its support of the Canadian operations, the boards of directors of Express Canada and Express Canada GC (each through me as the sole director) resolved to commence this CCAA proceeding.

G. Relief Sought

132. The Applicants believe that this CCAA proceeding is the most practical method to ensure a fair and orderly wind down of the Express Canada business, which will maximize recoveries in

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the interests of all stakeholders. The Applicants also understand that Express U.S. will only continue to support the operations of the Express Canada business in a process conducted pursuant to the CCAA. The Applicants are hopeful that the proposed CCAA proceedings will culminate in a consensual plan of compromise, with broad support among stakeholders.

(a) Stay of Proceedings

133. The Express Canada Entities urgently require a stay of proceedings and other protections as provided by the CCAA so that they will have the breathing space to develop and conduct a controlled and orderly wind down of operations for the benefit of their stakeholders. It would be detrimental to Express Canada's ability to conduct a responsible wind down and realization process in the best interests of its stakeholders if proceedings were commenced or rights or remedies executed against the Express Canada Entities in the short period available to maximize recoveries for all stakeholders.

134. The Applicants request that the benefit of the stay be extended to Express Canada LP, a limited partnership closely intertwined with the operations of the Applicants in respect of the issuance of Gift Cards. The extension of the benefit of the stay to Express Canada LP is necessary to maintain stability and value in the CCAA process. Any proceedings commenced against Express Canada LP would necessarily involve key personnel of the Applicants, who collectively hold a 100% interest in Express Canada LP. For example, to respond to any claim, the Applicants would need to provide evidentiary support through witnesses or documents. The need to provide such support could be a significant distraction for the Applicants' key personnel and would distract from the paramount goal of achieving an orderly and controlled wind down.

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135. Having regard to the circumstances, the granting of a stay is in the best interests of the Applicants and their stakeholders. The stay will provide the Applicants with the breathing space required to develop and oversee an orderly wind down process, which in turn will help to protect the interests of the Applicants' stakeholders, including employees, suppliers, Landlords, and customers, all with the eventual goal of developing and implementing a plan of arrangement to distribute recoveries to creditors.

(b) Proposed Monitor

136. The Proposed Monitor has consented to act as the monitor of the Express Canada Entities under the CCAA. A copy of the Proposed Monitor's consent to act as monitor is attached to my affidavit as **Exhibit K**.

137. I understand that the Proposed Monitor will file a pre-filing report with the Court as Proposed Monitor in conjunction with the Applicants' request for relief under the CCAA.

(c) Administration Charge

138. In connection with its appointment, it is proposed that the Proposed Monitor, along with its counsel and counsel to the Express Canada Entities, will be granted a Court-ordered charge on the present and future assets, property and undertakings of the Express Canada Entities ("**Property**"), as security for their respective fees and disbursements relating to services rendered in respect of the Express Canada Entities up to a maximum of \$650,000 (the "**Administration Charge**"). The Administration Charge is proposed to have first priority over all other charges.

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(d) Directors' and Officers' Protection

139. I am advised by Tracy Sandler of Osler, Hoskin & Harcourt LLP, counsel for the Applicants, and believe that, in certain circumstances, directors can be held liable for certain obligations of a company owing to employees and government entities, which may include unpaid accrued wages and unpaid accrued vacation pay, together with unremitted sales, goods and services, and harmonized sales taxes.

140. It is my understanding that the Applicants' present and former directors and officers who are or were employed by either of the Applicants are among the potential beneficiaries under a liability insurance policy that has an aggregate annual limit of US\$10 million, with a US\$1 million deductible. This policy only covers directors' statutory liabilities for taxes (provided the Canada Revenue Agency has commenced collection proceedings against the individual directors), including employee income tax withholdings, but not unpaid accrued wages. I do not believe that this insurance policy provides sufficient coverage against the potential liability that the directors could incur in relation to this CCAA proceeding.

141. In light of the potential liabilities and the insufficiency of available insurance, I, as the only current director and officer of the Applicants, have indicated that my continued service and involvement in this proceeding is conditional upon the granting of an Order under the CCAA which grants a charge in favour of the directors and officers of the Applicants in the amount of \$500,000 on the Property of the Express Canada Entities (the "Directors' Charge"). The Directors' Charge would be subordinate to the proposed Administration Charge. The Directors' Charge would act as security for the indemnification obligations for directors' potential liabilities, as set out above. The Directors' Charge is necessary so that the Express Canada Entities may benefit from my experience with the business as I guide the realization and wind

down efforts. The charge would only be relied upon to the extent of the insufficiency of the existing insurance.

(e) Cash Flow Forecast

142. The Applicants, with the assistance of the Proposed Monitor (if appointed, in such capacity, the “Monitor”), have prepared 13-week cash flow projections as required by the CCAA. A copy of the cash flow projections is attached as Exhibit L. The cash flow projections demonstrate that the Express Canada Entities have sufficient liquidity to continue going concern operations during the proposed stay period should the stay of proceedings be granted. It is not contemplated that the Express Canada Entities will require debtor-in-possession financing.

143. The Applicants anticipate that the Monitor will provide oversight and assistance and will report to the Court in respect of the Express Canada Entities’ actual results relative to cash flow forecast during this proceeding. Existing accounting procedures will provide the Monitor with the ability to accurately track the flow of funds and assist with any issues that may arise.

(f) Payments During the CCAA Proceedings

144. During the course of this proceeding, Express Canada intends to make payments for goods and services supplied to it post-filing in the ordinary course, as set out in the cash flow projections described above and as permitted by the draft Initial Order.

145. Express Canada is proposing in the draft Initial Order that it be authorized, with the consent of the Monitor, but not required, to make certain payments for goods and services actually supplied to Express Canada prior to the date of the Initial Order, the suppliers of which include: (1) providers of credit, debit and gift card processing services (e.g., BAMS); and (2)

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logistics or supply chain providers (e.g., customs brokers and freight forwarders). These categories of suppliers are fundamental to continuing operations and any disruption of their services could jeopardize the orderly wind down, given the expedited timelines for the orderly wind down. Accordingly, the Applicants seek additional flexibility in ensuring the supply of required services remains uninterrupted. For third party suppliers other than (1) and (2), the draft Initial Order proposes permitting payments in respect of pre-filing amounts up to a maximum of \$50,000 with the consent of the Monitor, if, in the opinion of the Express Canada Entities, the supplier is critical to the orderly wind down of Express Canada's business.

(g) Liquidation Consultant and Realization Process

146. As part of the overall wind down process for the Canadian business, the Applicants intend to seek the Court's approval to, in consultation with the Monitor, implement a proposed realization process ("**Realization Process**") to liquidate Express Canada's remaining inventory, furniture, fixtures and equipment (collectively, the "**Merchandise & FF&E**").

147. The Applicants intend to file a motion seeking approval of the Realization Process and a consulting agreement with the Liquidator as soon as possible should the proposed Initial Order be granted. Express Canada intends to propose the following timeline for its CCAA proceedings subject to the direction of this Honourable Court:

Proposed Date	Step
May 4, 2017	Hearing of application for Initial CCAA Order
May 5, 2017	Serve motion seeking approval of Realization Process and sale guidelines
May 10, 2017	Hearing to approve the Realization Process and sale guidelines
May 11, 2017	Commence liquidation of Canadian stores

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Proposed Date	Step
May 25, 2017	Hearing for CCAA claims process motion, comeback motion, and stay extension
June 15, 2017	Projected liquidation sale end date and Express Canada to vacate leased premises
July 5, 2017	Proposed CCAA claims process bar date (deadline to file claims in the CCAA process)

148. The Applicants believe that engaging a professional liquidator such as the Liquidator to undertake a sale of the Merchandise & FF&E will produce better sales results than an attempt by Express Canada to sell the Merchandise & FF&E without such professional assistance. At the same time, the Liquidator advises that the involvement of Express Canada in the Realization Process is essential to maximizing the proceeds. The Applicants accordingly believe that it is crucial to seek Court approval of the Realization Process as soon as possible to maximize the amounts available to their stakeholders and to avoid depressed results during the looming summer months.

(h) Employee Retention Program

149. Express Canada proposes in connection with this Application to provide its sales associates and store management with working notice of termination, effective June 15, 2017. Given the essential role that employees would play in the Realization Process, Express Canada has developed a twofold employee retention program (the "ERP") to incentivize active employees to remain in their positions. I understand that the Proposed Monitor supports the ERP.

150. First, Express Canada proposes to offer a retention incentive payment equal to the employee's regular wages (calculated in accordance with applicable employment standards legislation) for any period not worked because their respective stores closed before the targeted

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completion date of the Realization Process on June 15, 2017. For example, if the decision is made to close a store one week before June 15, 2017 because the Realization Process was completed in respect of that store ahead of schedule, Express Canada proposes to pay that store's active employees a retention incentive payment equal to one week of regular wages. Express Canada believes that this will incentivize employees to remain in their positions and perform an efficient realization.

151. Second, Express Canada and the Liquidator have developed, in consultation with the Proposed Monitor, a field management retention and sales bonus program for the district manager and store management (store managers, co-managers, associate managers, and sales leaders) who will be essential to managing the wind down at the regional and store-levels. Eligible employees who remain actively employed until Express Canada provides termination/release dates could obtain bonuses paid out of a budget pool equal to approximately 10% of the eligible payroll during the anticipated five week Realization Process. Based on current payroll, the bonus pool should not exceed approximately \$56,500. Eligible employees would earn 60% of their budgeted bonus payment (determined based on their positions with Express Canada) for remaining in their positions until their release date. If the Realization Process reaches certain overall sales goals, the eligible employees could earn the remaining 40%.

152. Express Canada also proposes during the Realization Process to continue matching employees' contributions to the group RRSP in accordance with the plan and to continue the employee discount policy.

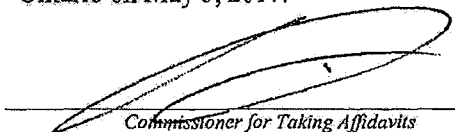
153. Payments to employees under the proposed ERP would be conditional upon the employees not having resigned or having been terminated for cause prior to the payment date.

H. Conclusion

154. I believe that Express Canada and Express U.S. have made every reasonable effort, and assessed every available option, in their extensive efforts to find a way to succeed in Canada. However, no way was identified that could stop the significant losses projected for the foreseeable future.

155. I am confident that granting the Initial Order sought by the Applicants is in the best interests of the Express Canada Entities and their stakeholders, generally. Without the stay of proceedings, the Express Canada Entities face an immediate cessation of operations rather than an orderly and responsible wind down. I believe that the CCAA proceeding is the only viable method to effect a fair and orderly wind down process for the benefit of all stakeholders.

SWORN BEFORE ME at Toronto, in
Ontario on May 3, 2017.



Commissioner for Taking Affidavits

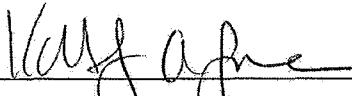


TODD PAINTER

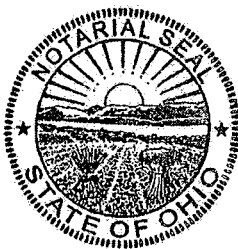
William David Rankin

TAB C

THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF TODD PAINTER,
SWORN BEFORE ME THIS
23rd DAY OF MAY, 2017.



Notary Public for the State of Ohio



KATHRYN A. LANE
Notary Public, State of Ohio
My Commission Expires 07-17-2021

Court File No. CV-17-11785-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **EXPRESS FASHION APPAREL
CANADA INC.** and **EXPRESS CANADA GC GP, INC.**

APPLICANTS

AFFIDAVIT OF TODD PAINTER
(Sworn May 4, 2017)

(Motion for Approval of Consulting Agreement and Sale Guidelines)

I, Todd Painter, of the city of New Albany, in the State of Ohio, the President of the applicants Express Fashion Apparel Canada Inc. ("**Express Canada**") and Express Canada GC GP, Inc. (together with Express Canada, the "**Applicants**"), MAKE OATH AND SAY:

1. I am the President and sole officer and director of each of the Applicants. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources for information, I have so stated and I believe them to be true. In preparing this affidavit, I consulted with representatives of Alvarez & Marsal Canada Inc. in its capacity as proposed monitor to the Applicants ("**A&M**") and legal advisors of the Applicants.
2. I make this affidavit in support of the motion brought by the Applicants and Express Canada GC, LP (collectively, the "**Express Canada Entities**") seeking an Order, substantially in the form attached to the Motion Record, that would, among other things, approve the Consulting Agreement and Sale Guidelines (each as defined below) (the "**Proposed Sale Approval Order**").

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A. Background

3. The Express Canada Entities were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) dated May 4, 2017 (the "**Initial Order**"). A copy of the Initial Order is attached to my affidavit as **Exhibit A**.

4. Among other things, the Initial Order: (1) appoints A&M to act as the monitor in the CCAA proceedings (in that capacity, the "**Monitor**"); and (2) grants a stay of proceedings until June 3, 2017, or such later date as this Honourable Court may order.

5. Further details regarding the background to this proceeding are set out in my affidavit sworn May 3, 2017 ("**Initial Order Affidavit**"). Except where so stated, capitalized terms not otherwise defined in this affidavit have the meanings given to them in the Initial Order Affidavit. A copy of the Initial Order Affidavit without exhibits is attached to this affidavit as **Exhibit B**.

B. Consulting Agreement and Sale Guidelines

6. To maximize the value to be realized from Express Canada's inventory (the "**Merchandise**") and its furniture, fixtures, and equipment (collectively, the "**FF&E**") for the benefit of all stakeholders, the Express Canada Entities are seeking the Court's approval of the following:

- (a) the Letter Agreement Governing Inventory Disposition between Express Canada and Merchant Retail Solutions ULC (the "**Consultant**") dated May 3, 2017 regarding the liquidation of the Merchandise and FF&E (the "**Consulting Agreement**"); and

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- (b) proposed sale guidelines for the orderly liquidation of Express Canada's remaining Merchandise and FF&E, which are attached as Schedule "B" to the Consulting Agreement (the "**Sale Guidelines**").

7. The realization process set out in the Consulting Agreement and the Sale Guidelines was designed by the Express Canada Entities and the Consultant, in consultation with A&M. I expect that this realization process will maximize the value realized from the sale of Express Canada's Merchandise and FF&E for the benefit of stakeholders.

8. It is my understanding that the Monitor supports the approval of the Consulting Agreement, including the Sale Guidelines. The Express Canada Entities intend to engage with the Landlords with respect to the Sale Guidelines prior to the return of the motion.

(a) Solicitation and Selection of the Proposed Consultant

9. In anticipation of a potential CCAA filing, the Express Canada Entities, with the assistance of A&M, contacted two third party liquidation firms to solicit proposals to conduct or consult on an orderly liquidation of the Merchandise and FF&E. The solicited liquidators had been selected based on their qualifications and prior experience handling large-scale retail liquidations, including large-scale retail liquidations in Canada and are well-known to Express Canada's Landlords. I am advised by Tracy Sandler, counsel for the Express Canada Entities, that they are among the most experienced liquidation firms operating in North America.

10. The solicited liquidators were invited to submit bids for the purposes of selecting an agent or a consultant, on an exclusive basis, to assist the Express Canada Entities in conducting the sale of the Merchandise and FF&E. Two common ways for such bids to be structured are: (1) an equity proposal, which generally involves the liquidator conducting the process and guaranteeing a net

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minimum amount that would be paid to Express Canada; and (2) a fee proposal, which involves the liquidator consulting on the liquidation process in exchange for a percentage fee of the sales.

11. The solicited liquidators each returned executed nondisclosure agreements and were given access to a virtual data room containing financial and other information concerning the Merchandise and FF&E. Express Canada, with the assistance of A&M, answered questions from the solicited liquidators regarding the Merchandise and FF&E. Additionally, the solicited liquidators conducted site visits of a number of Express Canada stores to inspect the Merchandise and FF&E to assist them in structuring their proposals.

12. Both solicited liquidators submitted proposals before the requested deadline, one on its own, and the other as a proposed joint venture with another third party liquidator. Both of the solicited liquidators structured their bids as fee proposals (as opposed to equity proposals).

13. Following a careful review of the proposals, the Express Canada Entities, in consultation with A&M, selected the Consultant's proposal. The Express Canada Entities believe that the Consultant's proposal was the most favourable and will provide for the best recovery for stakeholders, and they felt confident that the Consultant would deal with the Landlords and customers in a professional manner. I understand that the Monitor shares this view.

14. The Consultant is an affiliate of Hilco Merchant Resources, LLC and has extensive experience in conducting retail liquidations. The Consultant's recent experience in Canada includes Target Canada, American Apparel Canada, BCBG Canada, and Danier Leather.

(b) Consulting Agreement and Sale Guidelines

15. On May 3, 2017, the Consultant and Express Canada entered into the Consulting Agreement, a copy of which is attached as **Exhibit C** to this affidavit. Capitalized terms used in

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this section that are not otherwise defined have the meanings given to them in the Consulting Agreement. It is my understanding that the Monitor supports the selection of the Consultant and Express Canada entering into the Consulting Agreement.

16. The Consulting Agreement is expressly subject to Court approval and will not have any force or effect if Court approval is not obtained.

17. If approved by this Court, the Consulting Agreement provides that the Consultant will serve as the exclusive consultant for the purpose of conducting a sale of the Merchandise and FF&E at all 17 of the Express Canada stores in Ontario, Alberta, and British Columbia.

18. Under the Consulting Agreement, the Consultant would earn a fee of 1.75% of the gross proceeds (net of applicable HST/GST) for the sale of Merchandise at the stores. In addition, the Consultant would be entitled to a 17.5% commission on any gross proceeds (net of applicable HST/GST) from the sale of FF&E.

19. Some of the key terms of the Consulting Agreement include:

- (a) The sale of the Merchandise in accordance with the Sale Guidelines (described in greater detail below) (the "Sale") shall commence no later than May 11, 2017 and shall conclude no later than June 15, 2017. However, the Consultant and Express Canada may, in consultation with the Monitor, agree to terminate the Sale at any store location prior to June 15, 2017.
- (b) In collaboration with Express Canada, the Consultant shall, *inter alia*: (i) provide qualified supervisors to oversee the management of the stores and the Sale; (ii) determine appropriate advertising; (iii) determine appropriate discounts and staffing levels; (iv) oversee the display of Merchandise; (v) evaluate Merchandise

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sales; and (vi) assist with managing and controlling loss prevention and employee relations matters.

- (c) Express Canada shall (including through the administrative services agreement effective as of May 3, 2017 between the Express Canada Entities and Express, LLC (the “**Administrative Services Agreement**”)), *inter alia*: (i) employ the store employees, other than the supervisors provided by the Consultant; (ii) be responsible for all taxes, costs, rent, expenses, etc. relating to its stores and employees; (iii) collect and remit HST/GST and other taxes; (iv) arrange for ordinary maintenance of point-of-sale equipment; and (v) use reasonable efforts to ensure that the Consultant is able to use the stores for the Sale.
- (d) Express Canada shall (through the Administrative Services Agreement) provide central administrative services necessary for the Sale, including point-of-sale administration, sales audits, cash reconciliation, accounting, and payroll processing.
- (e) Express Canada shall be responsible for all costs and expenses of the Sale, including store-level operating expenses and the Consultant’s reasonable out of pocket expenses. To manage costs, however, Express Canada and the Consultant have established a budget (attached to the Consulting Agreement as Schedule “C”).
- (f) During the Sale, all accounting matters, including fees, expenses and other amounts payable under the Consulting Agreement, shall be reconciled by the parties, in consultation with the Monitor, on every Wednesday of the prior calendar week and the amounts determined to be owing for that prior calendar week shall be paid within seven days after each weekly reconciliation. Within 45 days following the

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termination of the Sale for the last store, Express Canada and the Consultant, in consultation with the Monitor, will complete a final reconciliation of all amounts payable under the Consulting Agreement, with payment within 10 days thereafter.

- (g) Express Canada shall be responsible for maintaining liability insurance policies covering injuries to persons and property in or in connection to the Stores. In addition, the Consultant shall be responsible for maintaining, at its own expense, liability insurance of at least \$2 million (on an occurrence basis) and \$5 million (on an aggregate basis) covering injuries to persons and property in or in connection with the Consultant's provision of services at the stores. Both Express Canada and the Consultant shall be responsible to maintain workers compensation insurance.
- (h) The Consultant will not have any right, title or interest in the Merchandise or the FF&E.
- (i) All sales of Merchandise shall be "final" with no returns allowed, unless Express Canada directs otherwise.

20. The Consulting Agreement is also subject to the Sale Guidelines attached as Schedule "B" to the Consulting Agreement. Express Canada and the Consultant prepared the Sale Guidelines in consultation with A&M and, I am advised by Ms Sandler and believe, after taking into account the court approved Sale Guidelines in recent Canadian retail store liquidations. The Sale Guidelines provide, among other things:

- (a) The Sale shall be conducted in accordance with the terms of the applicable Lease, except as otherwise set out in any Court Order, the Sale Guidelines, or in any

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subsequent written agreements between Express Canada and the applicable Landlord (as approved by the Consultant).

- (b) The Sale shall be conducted so that each of the stores remains open, before it is vacated, during its normal hours of operation provided for in the applicable Lease.
- (c) The Sale will end by no later than June 15, 2017.
- (d) All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and hung in a professional manner. No sign shall advertise the sale as a "bankruptcy", "liquidation" or "going out of business" sale. However, notwithstanding anything in the Leases, the Consultant may advertise an "everything on sale", "everything must go", "store closing", or similar themed sale.
- (e) The purchasers of FF&E shall only be permitted to remove the FF&E either through the back shipping areas or through other areas after a store has closed. The FF&E must be removed after business hours, unless it can fit into a shopping bag, in which case it may be removed during business hours through the front door. FF&E may only be removed with the Landlord's supervision, if required by the Landlord.
- (f) The Consultant shall not conduct any auctions of Merchandise or FF&E at any of the stores.
- (g) Signs must be posted in the cash register areas of each store informing customers that all sales are "final".
- (h) At the conclusion of the Sale in each store, the Consultant and Express Canada will arrange for the premises to be cleaned.

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21. In accordance with the Consulting Agreement, an advance payment of costs and expenses was made to the Consultant in the amount of \$50,000.

C. Continuing Stakeholder Engagement

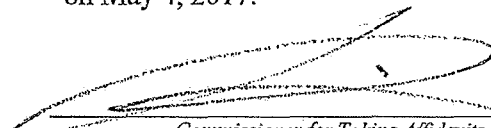
22. Express Canada intends to consult with its Landlords throughout the realization process, including in respect of any Landlord concerns with signage advertising the Sale. As noted, the Express Canada Entities intend to engage the Landlords with respect to the Sale Guidelines prior to the return of the motion, which meetings have already commenced.

D. Conclusion

23. I believe that the Consulting Agreement and Sale Guidelines would benefit all of the Express Canada Entities' stakeholders and that engaging a professional liquidator to assist with the sale of the Merchandise and FF&E will produce better results than attempting to liquidate without professional assistance.

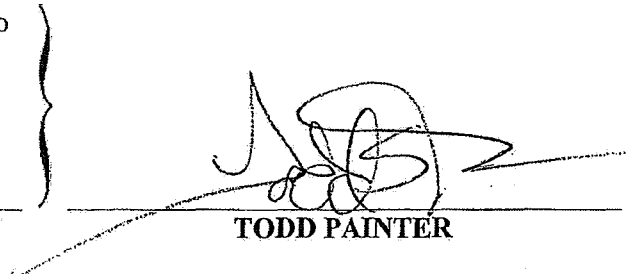
24. The Express Canada Entities believe that it is crucial to begin the realization process immediately to implement the orderly wind down of the business and to maximize the value realized for all stakeholders. I am advised by the Monitor and believe that the Monitor supports the proposed Consulting Agreement and Sale Guidelines, including the proposed timeline.

SWORN BEFORE ME at Toronto, in Ontario
on May 4, 2017.



Commissioner for Taking Affidavits

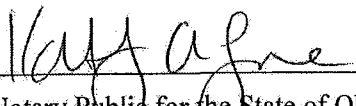
William David Rankin



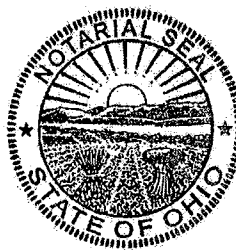
TODD PAINTER

TAB D

THIS IS **EXHIBIT "D"**
TO THE AFFIDAVIT OF TODD PAINTER,
SWORN BEFORE ME THIS
23rd DAY OF MAY, 2017.



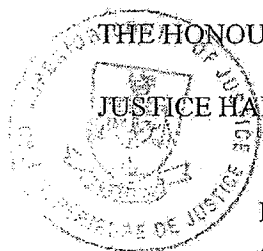
Notary Public for the State of Ohio



KATHRYN A. LANE
Notary Public, State of Ohio
My Commission Expires 07-17-2021

Court File No. CV-17-11785-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE MR)

WEDNESDAY, THE 10th

JUSTICE HAINES)

DAY OF MAY, 2017)

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 EXPRESS FASHION APPAREL
CANADA INC. AND EXPRESS CANADA GC GP, INC.

Applicants

SALE APPROVAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "CCAA") for an order, *inter alia*, approving the transactions contemplated under a Letter Agreement Governing Inventory Disposition entered into between Express Fashion Apparel Canada Inc. ("**Express Canada**", and together with Express Canada GC GP, Inc. and Express Canada GC LP, the "**Express Canada Entities**") and Merchant Retail Solutions ULC (the "**Consultant**") on May 3, 2017 (the "**Consulting Agreement**") and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Todd Painter sworn on May 4, 2017 including the exhibits thereto (the "**Second Painter Affidavit**"), the First Report of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the "**Monitor**") filed, and on hearing the submissions of respective counsel for the Applicants, the Monitor, Express, LLC, the Consultant, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of David Rankin sworn May 5, 2017 filed:

- 2 -

SERVICE AND DEFINITIONS

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

2. THIS COURT ORDERS that any capitalized term used and not defined herein, shall have the meaning ascribed thereto in the Initial Order in these proceedings dated May 4, 2017 (the “**Initial Order**”), the Sale Guidelines (as defined below), and the Consulting Agreement (attached as Exhibit “C” to the Second Painter Affidavit), as applicable.

THE CONSULTING AGREEMENT

3. THIS COURT ORDERS that the Consulting Agreement, including the sale guidelines attached hereto as Schedule “A” (the “**Sale Guidelines**”), and the transactions contemplated thereunder are hereby approved, authorized and ratified and that the execution of the Consulting Agreement by Express Canada is hereby approved, authorized, and ratified with such minor amendments as Express Canada (with the consent of the Monitor) and the Consultant may agree to in writing. Subject to the provisions of this Order and the Initial Order, Express Canada is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein. Without limiting the foregoing, Express Canada is authorized to execute any other agreement, contract, deed or any other document, or take any other action, which could be required or be useful to give full and complete effect to the Consulting Agreement.

THE SALE

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

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5. THIS COURT ORDERS that, subject to paragraph 12 of the Initial Order, Express Canada, with the assistance of the Consultant, is authorized to market and sell the Merchandise and Express FF&E (as such terms are defined in the Consulting Agreement) in accordance with the Sale Guidelines, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to the date of this Order or came into existence following the date of this Order, (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively "**Claims**"), including, without limitation the Administration Charge and the Directors' Charge (as such terms are defined in the Initial Order) and any other charges hereafter granted by this Court in these proceedings (collectively, the "**CCAA Charges**"), and (ii) all Claims, charges, security interests or liens evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (Alberta), *Personal Property Security Act* (British Columbia), or any other personal or movable property registration system (all of such Claims, charges (including the CCAA Charges), security interests and liens collectively referred to herein as "**Encumbrances**"), which Encumbrances will attach instead to the proceeds of the Sale (other than amounts specified in paragraph 15 of this Order) in the same order and priority as they existed immediately prior to such Sale.

6. THIS COURT ORDERS that subject to the terms of this Order, the Initial Order and the Sale Guidelines, or any greater restrictions in the Consulting Agreement or the Sale Guidelines, the Consultant shall have the right to enter and use the Stores and all related store services and all facilities and all furniture, trade fixtures and equipment, including the Express FF&E, located at the Stores, and other assets of Express Canada as designated under the Consulting Agreement, for the purpose of conducting the Sale and for such purposes, the Consultant shall be entitled to the benefit of the Express Canada Entities' stay of proceedings provided under the Initial Order, as such stay of proceedings may be extended by further Order of the Court.

7. THIS COURT ORDERS that until the Sale Termination Date (as defined in the Consulting Agreement) for each Store (which shall in no event be later than June 15, 2017), the Consultant shall have access to the Stores in accordance with the applicable Leases (as such term is defined

- 4 -

in the Sale Guidelines) and the Sale Guidelines on the basis that the Consultant is assisting Express Canada and Express Canada has granted the right of access to the Store to the Consultant. To the extent that the terms of the applicable Leases are in conflict with any term of this Order or the Sale Guidelines, it is agreed that the terms of this Order and the Sale Guidelines shall govern.

8. THIS COURT ORDERS that nothing in this Order shall amend or vary, or be deemed to amend or vary the terms of the Leases. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon Express Canada or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.

9. THIS COURT ORDERS that, except as provided for in Section 4 hereof in respect of the advertising and promotion of the Sale within the Stores, subject to and in accordance with this Order, the Consulting Agreement and the Sale Guidelines, the Consultant is authorized to advertise and promote the Sale, without further consent of any Person (as defined in the Initial Order) other than Express Canada and the Monitor as provided under the Consulting Agreement or a Landlord (as defined in the Sale Guidelines) as provided under the Sale Guidelines.

10. THIS COURT ORDERS that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any intellectual property licensor, the Express Canada Entities' trade names, trademarks and logos relating to and used in connection with the operation of the Stores, as well as all licenses and rights granted to the Express Canada Entities to use the trade names, trademarks, and logos of third parties, solely for the purpose of advertising and conducting the Sale in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order.

CONSULTANT LIABILITY

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

- (a) the Consultant shall not be deemed to be an owner or in possession, care, control or management of the Stores, of the assets located therein or associated therewith

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or of Express Canada's employees located at the Stores or any other property of Express Canada;

- (b) the Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and
- (c) Express Canada shall bear all responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines, or awards) relating to claims of customers, employees and any other persons arising from events occurring at the Stores during and after the term of the Sale, or otherwise in connection with the Sale, except to the extent that such claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of the Consultant, its employees, agents or other representatives, or otherwise in accordance with the Consulting Agreement.

12. To the extent any Landlord may have a claim against Express Canada arising solely out of the conduct of the Consultant in conducting the Sale for which Express Canada has claims against the Consultant under the Consulting Agreement, Express Canada shall be deemed to have assigned such claims free and clear to the applicable Landlord (the "Assigned Landlord Rights"); provided that each such Landlord shall only be permitted to advance each such claims against the Consultant if written notice, including the reasonable details of such claims, is provided by such Landlord to the Consultant, Express Canada and the Monitor during the period from the Sale Commencement Date to the date that is thirty (30) days following the Sale Termination Date, provided however that the Landlords shall be provided with access to the Stores to inspect the Stores within fifteen (15) days following the Sale Termination Date.

CONSULTANT AN UNAFFECTED CREDITOR

13. THIS COURT ORDERS that the Consulting Agreement shall not be repudiated, resiliated or disclaimed by Express Canada nor shall the claims of the Consultant pursuant to the Consulting Agreement be compromised or arranged pursuant to any plan of arrangement or compromise

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among the Express Canada Entities and their creditors (a “Plan”) and, for greater certainty, the Consultant shall be treated as an unaffected creditor in these proceedings and under any Plan.

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

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

16. THIS COURT ORDERS that notwithstanding:

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

the Consulting Agreement and the transactions and actions provided for and contemplated therein, including without limitation, the payment of amounts due to the Consultant and the Assigned Landlord Rights shall be binding on any trustee in bankruptcy that may be

- 7 -

appointed in respect of any of the Express Canada Entities and shall not be void or voidable by any Person, including any creditor of the Express Canada Entities, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

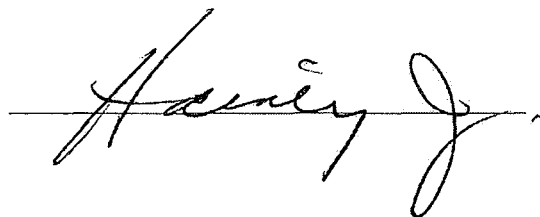
OTHER

17. THIS COURT ORDERS that Express Canada is authorized and permitted to transfer to the Consultant personal information in Express Canada's custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes.

GENERAL

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

19. 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 Express 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 Express 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 Express Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.



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

MAY 10 2017

PER / PAR:



SCHEDULE "A"
SALE GUIDELINES

(See attached)

SALE GUIDELINES

The following procedures shall apply to any Sales to be held at Express Canada's retail stores (the "Stores"). Terms capitalized but not defined in these Sale Guidelines have the meanings ascribed to them in the Consulting Agreement (as defined below).

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 10, 2017 approving the Consulting Agreement between Merchant Retail Solutions ULC (the "**Consultant**") and Express Fashion Apparel Canada Inc. ("**Express Canada**") dated May 3, 2017 (the "**Consulting Agreement**") and the transactions contemplated thereunder (the "**Approval Order**"); or (ii) any further Order of the Court; or (iii) any subsequent written agreement between Express Canada and its applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**") and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements for each of the affected Stores (individually, a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon Express Canada or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Stores remain open during their normal hours of operation provided for in the respective Leases for the Stores until the applicable premises vacate date for each Store under the Consulting Agreement (the "**Vacate Date**"), and in all cases no later than June 15, 2017. Rent payable under the respective Leases shall be paid as provided in the Initial Order of the Court dated May 4, 2017 (the "**Initial Order**").
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as a "everything on sale", "everything must go", "store closing" or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "liquidation" or a "going out of business" sale, it being understood that the French equivalent of "clearance" is "liquidation" and is permitted to be used). Forthwith upon request, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail or facsimile to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or the Sale Guidelines and where the provisions of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow signs or any handwritten signage (save that handwritten "you pay" or "topper" signs may be used). If a Landlord is concerned with "Store Closing" signs being placed in the front window of a Store or with the number or size of the signs in the front window, Express Canada, the Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store locations without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common areas of a mall shall be used unless

- 2 -

explicitly permitted by the applicable Lease. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Store locations with a separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used; and (ii) where such banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Service List. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant.

5. The Consultant shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre or mall premises.
6. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final" and customers with any questions or complaints are to call Express' hotline number.
7. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on Landlord's property, unless explicitly permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as explicitly permitted under the applicable Lease or agreed to by the Landlord.
8. At the conclusion of the Sale in each Store, the Consultant and Express Canada shall arrange that the premises for each Store are in "broom-swept" and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than Express FF&E (as defined below) for clarity) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease and in accordance with the Initial Order and the Approval Order. Any trade fixtures or personal property left in a Store after the applicable Vacate Date in respect of which the applicable Lease has been disclaimed by Express Canada shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord. Nothing in this paragraph shall derogate from or expand upon the Consultant's obligations under the Consulting Agreement.
9. Subject to the terms of paragraph 8 above, the Consultant may sell furniture, fixtures and equipment owned by Express Canada ("**Express FF&E**") and located in the Stores during the Sale. Express Canada and the Consultant may advertise the sale of Express FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the

- 3 -

- Landlord. Additionally, the purchasers of any Express FF&E sold during the Sale shall only be permitted to remove the Express FF&E either through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if the Express FF&E can fit in a shopping bag, with Landlord's supervision as required by the Landlord and in accordance with the Initial Order and the Approval Order. The Consultant shall repair any damage to the Stores resulting from the removal of any Express FF&E by Consultant or by third party purchasers of Express FF&E from Consultant.
10. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
 11. Express Canada hereby provides notice to the Landlords of Express Canada and the Consultant's intention to sell and remove Express FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord represented by counsel on the Service List and with any other Landlord that so requests, a walk-through with the Consultant to identify the Express FF&E subject to the Sale. The relevant Landlord shall be entitled to have a representative present in the applicable Stores to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any Express FF&E under the provisions of the Lease, such Express FF&E shall remain on the premises and shall be dealt with as agreed between Express Canada, the Consultant and such Landlord, or by further Order of the Court upon application by Express Canada on at least two (2) days' notice to such Landlord and the Monitor. If Express Canada has disclaimed or resiliated the Lease governing such Store in accordance with the CCAA and the Initial Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the CCAA and the Initial Order), and the disclaimer or resiliation of the Lease shall be without prejudice to Express Canada's or the Consultant's claim to the Express FF&E in dispute.
 12. If a notice of disclaimer or resiliation is delivered pursuant to the CCAA and the Initial Order to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the disclaimer or resiliation, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving Express Canada, the Monitor and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against Express Canada in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
 13. The Consultant and its agents and representatives shall have the same access rights to the Stores as Express Canada under the terms of the applicable Lease, and the Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).

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14. Express Canada and the Consultant shall not conduct any auctions of Merchandise or Express FF&E at any of the Stores.
15. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for Consultant shall be Jane Dietrich who may be reached by phone at (416)-860-5223 or email at jdietrich@casselsbrock.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Express Canada shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Consultant shall cease all activity in dispute other than activity expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of any dispute.
16. Nothing herein or in the Consulting Agreement is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
17. These Sale Guidelines may be amended by written agreement between the Consultant, Express Canada and the applicable Landlord.

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

Court File No: CV-17-11785-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EXPRESS FASHION APPAREL CANADA INC. and EXPRESS
CANADA GC GP, INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

OSLER, HOSKIN & HARCOURT LLP

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

Tracy C. Sandler (LSUC #: 32443N)
Jeremy Dacks (LSUC #: 41851R)
W. David Rankin (LSUC# 63261P)

Tel: 416.362-2111
Fax: 416.862.6666

Lawyers for the Applicants

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

Court File No: CV-17-11785-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF **EXPRESS FASHION APPAREL CANADA INC.** and **EXPRESS
CANADA GC GP, INC.**

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF TODD PAINTER
(SWORN MAY 23, 2017)**

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

Tracy C. Sandler (LSUC #: 32443N)
tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)
jdacks@osler.com

W. David Rankin (LSUC# 63261P)
drankin@osler.com

Tel: 416.362.2111
Fax: 416.862.6666

Lawyers for the Applicants

TAB 3

Court File No. CV-17-11785-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR)	MONDAY, THE 29 th
)	
JUSTICE HAINEY)	DAY OF MAY, 2017

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 EXPRESS FASHION APPAREL
CANADA INC. AND EXPRESS CANADA GC GP, INC.

Applicants

CLAIMS PROCEDURE ORDER

THIS MOTION, made by Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “**Applicants**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the “**CCAA**”) for an order, *inter alia*, establishing a claims procedure for the identification and quantification of certain claims against (i) the Applicants and Express Canada GC LP (collectively, the “**Express Canada Entities**”) and (ii) the current and former directors and officers of the Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Todd Painter sworn May 23, 2017 including the exhibits thereto, the Second Report of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the “**Monitor**”) dated May ●, 2017 filed, and on hearing the submissions of respective counsel for the Applicants, the Monitor, Express, LLC, and such other

counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn May ●, 2017:

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 Initial Order in these proceedings dated May 4, 2017 as may be 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 Applicants in the Court under Court File No. CV-17-11785-00CL;

- (d) **“Claim”** means:
- (i) any right or claim of any Person against any of the Express Canada Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Express Canada Entity 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 Express 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 Equity Claim and any claim against any of the Express 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 Express Canada Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Express Canada Entity to such Person arising

out of the restructuring, disclaimer, resiliation, termination or breach by such Express 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 or 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 Express Canada Entity or Director or Officer;

- (e) “**Claimant**” means (a) a Person asserting a Prefiling Claim or a Restructuring Period Claim (including in each case, for greater certainty, an Intercompany Claim)

against the Express Canada Entities, or any of them, and (b) a Person asserting a D&O Claim against any of the Directors or Officers of any of the Applicants;

- (f) “**Claims Bar Date**” means 5:00 p.m. on July 28, 2017;
- (g) “**Claims Officer**” means the individual(s) designated by the Court pursuant to paragraph 33 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), the Proof of Claim Instruction Letter, the D&O Claim Instruction Letter, and such other materials as the Monitor, in consultation with the Express Canada Entities, may consider appropriate;
- (i) “**Claims Process**” means the procedures outlined in this Order in connection with the assertion of Claims against the Express Canada Entities and/or the Directors and Officers;
- (j) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (k) “**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 “H” hereto;
- (l) “**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

as Schedule “T” hereto, which shall include all available supporting documentation in respect of such D&O Claim;

- (m) “**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 either of the Applicants, in such capacity;
- (n) “**Employees**” means all employees of the Express 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;
- (o) “**Employee Claim**” means any Claim by an Employee;
- (p) “**Equity Claim**” has the meaning set forth in section 2(1) of the CCAA;
- (q) “**Excluded Claim**” means any:
 - (i) Claim secured by the Administration Charge and the Directors’ Charge;
 - (ii) Claim enumerated in sections 5.1(2) and 19(2) of the CCAA;
 - (iii) Claim of Fifth Third Bank and Bank of America Merchant Services Canada Corp. in connection with the Cash Management System; and
 - (iv) Claim by Merchant Retail Solutions ULC in connection with the Letter Agreement Governing Inventory Disposition dated May 3, 2017;
- (r) “**Filing Date**” means May 4, 2017;

- (s) “**Intercompany Claim**” means any Claim filed by any of the Express Canada Entities, or any of their affiliated companies, partnerships, or other corporate entities, including Express, LLC or any of its affiliated companies, partnerships, or other corporate entities in accordance with the terms of this Order;
- (t) “**Meetings**” and each a “**Meeting**” means a meeting of the creditors of the Express Canada Entities called for the purpose of considering and voting in respect of a Plan;
- (u) “**Monitor’s Website**” means www.alvarezandmarsal.com/expresscanada;
- (v) “**Notice of Dispute of Revision or Disallowance**” means the form substantially in the form attached as Schedule “E” hereto;
- (w) “**Notice of Dispute of Statement of Employee Claim**” means the form substantially in the form attached as Schedule “G” hereto;
- (x) “**Notice of Revision or Disallowance**” means the form substantially in the form attached as Schedule “D” hereto;
- (y) “**Notice to Claimants**” means the notice for publication by the Monitor as described in paragraph 15 herein, substantially in the form attached as Schedule “A” hereto;
- (z) “**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 Applicants, in such capacity;
- (aa) “**Order**” means this Claims Procedure Order;

- (bb) **“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;
- (cc) **“Plan”** means any proposed plan of compromise or arrangement that may be filed in respect of any or all of the Express Canada Entities pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance the terms thereof;
- (dd) **“Proof of Claim”** means the proof of claim referred to herein to be filed by Claimants in respect of any Prefiling Claim and Restructuring Period Claim (including, in each case, an Intercompany Claim), substantially in the form attached as Schedule “C” hereto, which shall include all available supporting documentation in respect of such Claim;
- (ee) **“Proof of Claim Instruction Letter”** means the letter containing instructions for completing the Proof of Claim form, substantially in the form attached as Schedule “B” hereto;
- (ff) **“Restructuring Period Claims Bar Date”** means, in respect of a Restructuring Period Claim, the later of (i) 30 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
- (gg) **“Statement of Employee Claim”** means the notice prepared by the Express Canada Entities, in consultation with the Monitor, to be disseminated by the

Monitor to all Employees advising as to certain of their rights and obligations, which notice shall include an assessment of the quantum of such Employee's Claim based on the books and records of the Express Canada Entities and shall be substantially in the form attached as Schedule "F" hereto;

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 Express 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 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 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.

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 authorized, 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 Express Canada Entities and any information provided by the Express Canada Entities, all without independent investigation; (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 Express, LLC, the Express Canada Entities or any of their affiliated companies, partnerships, or other corporate entities, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Process.

12. THIS COURT ORDERS that the Express 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 6, 2017, 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 Express Canada Entities at their respective last known municipal or e-mail addresses as recorded in the Express 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) as soon as practicable after the date of this Order.

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 as soon as practicable after the date of this Order.

16. THIS COURT ORDERS that, the Monitor shall cause the Statements of Employee Claim to be sent to all Employees at their respective last known municipal or e-mail addresses as recorded in the Express Canada Entities' books and records as soon as practicable after the date of this Order but no later than 5:00 p.m. on June 23, 2017.

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 Express Canada Entities and 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, Statement of Employee Claim, Proof of Claim, D&O Proof of Claim, Notice of Revision or Disallowance, Notice of Dispute of Revision or Disallowance and the Notice of Dispute of Statement of Employee Claim 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 on or before the Claims Bar Date.

(B) Prefiling Claims and D&O Claims

21. 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 with the Monitor 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.

(C) Restructuring Period Claims

22. 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.

23. 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 with the Monitor 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.

(D) Employee Claims

24. THIS COURT ORDERS that in the event that an Employee receives a Statement of Employee Claim and the Employee:

- (a) wishes to dispute the quantum of their Claim as set-out in their Statement of Employee Claim, such Employee shall file a Notice of Dispute of Statement of Employee Claim with the Monitor on or before the Claims Bar Date; or
- (b) agrees with the assessment of the quantum of its Claim as set out therein, such Employee need not take any further action and such Claim shall be deemed to be as set out in such Employee's Statement of Employee Claim.

CLAIMS BAR DATE

25. THIS COURT ORDERS that any Claimant that does not file a Proof of Claim, D&O Proof of Claim, or Notice of Dispute of Statement of Employee Claim, in accordance with paragraphs 20 to 24, as applicable, so that such Proof of Claim, D&O Proof of Claim, or Notice of Dispute of Statement of Employee Claim is actually received by the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, or such later date as the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Claim against any of the Express Canada Entities and all such Claims shall be forever extinguished;

- (b) will not be permitted to vote at any Meeting on account of such 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 Express Canada Entities become aware that such Claimant may have a separate Claim or Claims pursuant to which the potential Claimant is permitted to participate in the Claims Process; and
- (d) will not be permitted to participate in any distribution under any Plan, if applicable, on account of such Claim(s).

ADJUDICATION OF CLAIMS

26. THIS COURT ORDERS that, for greater certainty, the procedures outlined in paragraphs 27 to 31 herein shall not apply to the adjudication of Employee Claims.

27. 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 Express Canada Entities, and shall accept, revise or reject each Claim, provided however that in the case of Proofs of Claim filed in respect of any Intercompany Claim(s) the Monitor shall only consult with the Express Canada Entities if the Monitor determines, in its sole discretion, that such consultation is necessary to assess the Intercompany Claim(s). With respect to a D&O Claim set out in a D&O Proof of Claim, the Monitor shall, in consultation with the Applicants 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.

28. THIS COURT ORDERS that if the Monitor intends to revise or reject a Claim that has been filed in accordance with paragraph 25 herein, 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 September 15, 2017, unless otherwise ordered by this Court. For greater certainty, if a Notice of Revision or Disallowance has not been sent by the Monitor to a Claimant by September 15, 2017, such Claimants' Proof of Claim or D&O Proof of Claim shall be deemed to have been accepted by the Monitor in the amount filed by such Claimant, unless otherwise ordered by the Court.

29. 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 later date as may be agreed to by the Monitor in writing; and
- (b) upon receipt of a Notice of Dispute of Revision or Disallowance in respect of a Claim, the Monitor shall attempt to resolve such dispute and settle the purported Claim with the Claimant, and 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 Express 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.

30. 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 29(a), such Claimant's 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.

31. 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 EMPLOYEE CLAIMS

32. THIS COURT ORDERS that the Monitor shall review all Notices of Dispute of Statement of Employee Claim received on or before the Claims Bar Date, in consultation with the Express Canada Entities, and if the Monitor disagrees with the amount of the Claim as set out in the Notice of Dispute of Statement of Employee Claim, shall, in consultation with the Express Canada Entities, attempt to resolve such dispute and settle the purported Claim with the Employee, and in the event that a dispute is not settled within a time period or in a manner that is satisfactory to the Monitor, the Monitor shall, in consultation with the Express Canada Entities, refer such dispute raised to a Claims Officer or the Court for adjudication at its election and shall forthwith send written notice to the Employee notifying the Employee of the Monitor's election.

CLAIMS OFFICERS

33. THIS COURT ORDERS that Hon. Dennis O'Connor, and such other Persons as may be appointed by the Court from time to time on a motion by the Express Canada Entities or the Monitor, be and are hereby appointed as Claims Officers for the Claims Process.

34. 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.

35. 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.

36. THIS COURT ORDERS that the Monitor, the Claimant or the applicable Express 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 35 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.

37. 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 36 above, the decision of the Claims Officer in determining the value of the Claimant's Claim shall be final and binding upon the relevant Express 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.

NOTICE OF TRANSFEREES

38. THIS COURT ORDERS that from the date of this Order until seven (7) days prior to the date fixed by the Court for the first 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 to the Monitor of assignment or transfer of a Claim to any third party.

39. 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 Express 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 written notice of such 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 and the Monitor shall thereafter only be required to deal with such transferee or assignee and not the original Claimant. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken or not 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 takes the Claim subject to any rights of set-off to which the Express Canada Entities may be entitled with respect to such Claim. A transferee or assignee of a Claim shall not be 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 Express Canada Entities.

40. 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

41. 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 Express 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.

42. 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., Express Canada Monitor
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON
M5J 2J1

Attention: Josh Nevsky
Email: monitor.expresscanada@alvarezandmarsal.com
Facsimile: 416-847-5201

43. 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

44. 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.

45. 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 any of the Express 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 Express 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 Express 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 an Express Canada Entity or Director or Officer as applicable.

46. 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 Express, LLC, or any other Person other than the Express Canada Entities and the Directors and Officers; and (ii) any right or claim of Express, LLC, or any other Person in response to such right or claim.

47. 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 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.

TAB A

SCHEDULE “A”

**NOTICE TO CLAIMANTS
AGAINST THE EXPRESS CANADA ENTITIES**

RE: NOTICE OF CLAIMS PROCESS FOR EXPRESS FASHION APPAREL CANADA INC., EXPRESS CANADA GC GP, INC., and EXPRESS CANADA GC LP (COLLECTIVELY, THE “EXPRESS CANADA ENTITIES”) PURSUANT TO THE COMPANIES’ CREDITORS ARRANGEMENT ACT (the “CCAA”)

PLEASE TAKE NOTICE that on May 29, 2017, the Ontario Superior Court of Justice (Commercial List) issued an order (the “**Claims Procedure Order**”) in the CCAA proceedings of Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “**Applicants**”), requiring that all Persons who assert a Claim (capitalized terms used in this notice and not otherwise defined have the meaning ascribed to them in the Claims Procedure Order) against the Express Canada Entities, whether unliquidated, contingent or otherwise, and all Persons who assert a claim against the Directors and/or Officers of the Applicants (as defined in the Claims Procedure Order, a “**D&O Claim**”), **must file a Proof of Claim (with respect to Claims against the Express Canada Entities) or D&O Proof of Claim (with respect to D&O Claims) with Alvarez and Marsal Canada Inc. as court-appointed monitor of the Applicants (in such capacity and not in its personal or corporate capacity, the “Monitor”) on or before 5:00 p.m. (Toronto time) on July 28, 2017 (the “Claims Bar Date”), by sending the Proof of Claim or D&O Proof of Claim to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

**Alvarez & Marsal Canada Inc., Express Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1**

**Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201**

Attention: Josh Nevsky

Pursuant to the Claims Procedure Order, Claims Packages, including the form of Proof of Claim and D&O Proof of Claim forms, will be sent to all known Claimants by mail on or before June 6, 2017. Employees will be sent a notice providing information regarding their claims on or before June 23, 2017. Claimants may also obtain the Claims Procedure Order and a Claims Package from the Monitor’s website at www.alvarezandmarsal.com/expresscanada, or by contacting the Monitor by telephone at 1-844-692-6255.

Only Proofs of Claim and D&O Proofs of Claim actually received by the Monitor on or before 5:00 p.m. (Toronto time) on July 28, 2017 will be considered filed by the Claims Bar Date. **It is your responsibility to ensure that the Monitor receives your Proof of Claim or D&O Proof of Claim by the Claims Bar Date.**

CLAIMS AND D&O CLAIMS WHICH ARE NOT RECEIVED BY THE APPLICABLE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED this ● day of ●, 2017.

TAB B

SCHEDULE “B”

CLAIMANT’S GUIDE TO COMPLETING THE PROOF OF CLAIM FORM FOR CLAIMS AGAINST THE EXPRESS CANADA ENTITIES¹

This Guide has been prepared to assist Claimants in filling out the Proof of Claim form for Claims against the Express Canada Entities. If you have any additional questions regarding completion of the Proof of Claim, please consult the Monitor’s website at www.alvarezandmarsal.com/expresscanada or contact the Monitor, whose contact information is set out below.

Additional copies of the Proof of Claim may be found at the Monitor’s website address noted above.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on May 29, 2017 (the “**Claims Procedure Order**”), the terms of the Claims Procedure Order will govern.

SECTION 1 - DEBTOR

1. The full name of the Express Canada Entity or Entities against which the Claim is asserted must be listed (see footnote 1 for a list of the three Express Canada Entities).

SECTION 2A - ORIGINAL CLAIMANT

2. A separate Proof of Claim must be filed by each legal entity or person asserting a claim against the Express Canada Entities, or any of them.
3. The Claimant shall include any and all Claims that it asserts against the applicable Express Canada Entity in a single Proof of Claim filed in respect thereof.
4. The full legal name of the Claimant must be provided.
5. If the Claimant operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
6. If the Claim has been assigned or transferred to another party, Section 2B must also be completed.
7. Unless the Claim is assigned or transferred, all future correspondence, notices, etc., regarding the Claim will be directed to the address and contact indicated in this section.

SECTION 2B - ASSIGNEE

8. If the Claimant has assigned or otherwise transferred its Claim, then Section 2B must be completed.

¹ Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc., and Express Canada GC LP (collectively, the “Express Canada Entities”).

9. The full legal name of the Assignee must be provided.
10. If the Assignee operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
11. If the Monitor, in consultation with the Express Canada Entities, is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc., regarding the Claim will be directed to the Assignee at the address and contact indicated in this section.

SECTION 3 - AMOUNT OF CLAIM OF CLAIMANT AGAINST DEBTOR

12. Indicate the amount the Express Canada Entity or Entities was and still is indebted to the Claimant in the Amount of Claim column, including interest up to and including May 3, 2017.

Currency

13. The amount of the Claim must be provided in the currency in which it arose.
14. Indicate the appropriate currency in the Currency column.
15. If the Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
16. If necessary, currency will be converted in accordance with the Claims Procedure Order.

Unsecured Claim

17. Check this box ONLY if the Claim recorded on that line is an unsecured claim.

Secured Claim

18. Check this box ONLY if the Claim recorded on that line is a secured claim.

SECTION 4 - DOCUMENTATION

19. Attach to the Proof of Claim form all particulars of the Claim and all available supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claim assignment/transfer agreement or similar document, if applicable and amount of invoices, particulars of all credits, discounts, etc., claimed, description of the security, if any, granted by the affected Express Canada Entity to the Claimant and estimated value of such security.

SECTION 5 - CERTIFICATION

20. The person signing the Proof of Claim should:
 - (a) be the Claimant or an authorized representative of the Claimant;
 - (b) have knowledge of all the circumstances connected with this Claim;

- (c) assert the Claim against the Debtor as set out in the Proof of Claim and certify all available supporting documentation is attached; and
 - (d) have a witness to its certification.
21. By signing and submitting the Proof of Claim, the Claimant is asserting the Claim against the Express Canada Entity or Entities.

SECTION 6 - FILING OF CLAIM

22. **The Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on July 28, 2017 (the “Claims Bar Date”) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

**Alvarez & Marsal Canada Inc., Express Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1**

**Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201**

Attention: Josh Nevsky

Failure to file your Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m. on the Claims Bar Date will result in your claim being barred and you will be prevented from making or enforcing a Claim against the Express Canada Entities. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a creditor in the CCAA proceedings of Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc.

TAB C

SCHEDULE "C"

PROOF OF CLAIM FORM FOR CLAIMS AGAINST THE EXPRESS CANADA ENTITIES²

1. Name of Express Canada Entity or Entities (the "Debtor")

Debtor: _____

2A. Original Claimant (the "Claimant")

Legal Name of Claimant: _____ Address _____ _____ _____ City _____ Prov _____ /State _____ Postal/Zip Code _____	Name of Contact _____ Title _____ Phone # _____ Fax # _____ Email _____
---	---

2B. Assignee, if claim has been assigned

Legal Name of Assignee: _____ Address _____ _____ _____ City _____ Prov _____ /State _____ Postal/Zip Code _____	Name of Contact _____ Title _____ Phone # _____ Fax # _____ Email _____
---	---

² Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc., and Express Canada GC LP (collectively, the "Express Canada Entities").

3. Amount of Claim

The Debtor was and still is indebted to the Claimant as follows:

Currency	Amount of Claim (including interest up to and including May 3, 2017)	Unsecured Claim	Secured Claim
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

4. Documentation

Provide all particulars of the Claim and all available supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc., claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5. Certification	
I hereby certify that:	
<ol style="list-style-type: none"> 1. I am the Claimant or an authorized representative of the Claimant. 2. I have knowledge of all the circumstances connected with this Claim. 3. The Claimant asserts this Claim against the Debtor as set out above. 4. All available documentation in support of this Claim is attached. 	
Signature: _____ Name: _____ Title: _____	Witness: _____ (signature) _____ (print)
Dated at _____ this _____ day of _____, 2017.	

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on July 28, 2017 by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

**Alvarez & Marsal Canada Inc., Express Canada Monitor
 Royal Bank Plaza, South Tower
 200 Bay Street, Suite 2900, P.O. Box 22
 Toronto, ON Canada M5J 2J1**

Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201

Attention: Josh Nevsky

For more information see www.alvarezandmarsal.com/expresscanada, or contact the Monitor by telephone at 1-844-692-6255.

TAB D

SCHEDULE “D”

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against the Express Canada Entities¹ and/or
D&O Claims against the Directors and/or Officers of the Applicants²**

Claims Reference Number: _____

To: _____
(the “**Claimant**”)

Capitalized terms not defined in this Notice of Revision or Disallowance have the meaning ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Applicants dated May 29, 2017 (the “**Claims Procedure Order**”).

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor:
	Currency	Value	
A. Unsecured		\$	\$
B. Secured		\$	\$
C. D&O Claim		\$	\$
D. Total Claim		\$	\$

Reasons for Revision or Disallowance:



SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-eight (28) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 41 of the Claims Procedure Order), deliver a Notice of Dispute

¹ Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc. and Express Canada GC LP (collectively, the “Express Canada Entities”).

² Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “Applicants”)

of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the following address:

**Alvarez & Marsal Canada Inc., Express Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1**

**Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201**

Attention: Josh Nevsky

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at www.alvarezandmarsal.com/expresscanada.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this day of , 2017.

Alvarez & Marsal Canada Inc., solely in its capacity as Court-appointed Monitor of Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc., and not in its personal or corporate capacity

Per: _____

For more information see www.alvarezandmarsal.com/expresscanada, or contact the Monitor by telephone at 1-844-692-6255.

TAB E

SCHEDULE “E”

NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

With respect to the Express Canada Entities⁵

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

(the “Claimant”)

Full Mailing Address of the Claimant:

Other Contact Information of the Claimant:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim (if applicable):

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

⁵ Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc. and Express Canada GC LP (collectively, the “Express Canada Entities”).

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount allowed by Monitor in the Notice of Revision or Disallowance:	Amounts claimed by Claimant:⁶
A. Unsecured		\$	\$
B. Secured		\$	\$
C. D&O Claim		\$	\$
D. Total Claim		\$	\$

4. Reasons for Dispute:

Please describe the reasons and basis for your dispute of the amount allowed by the Monitor in the Notice of Revision or Disallowance. You may attach a separate schedule if more space is required.

⁶ If necessary, currency will be converted in accordance with the Claims Procedure Order.

TAB F

SCHEDULE “F”

(Letterhead of the Monitor)

June ●, 2017

●

Dear:

Re: Employee Claims in the CCAA Proceedings of Express Fashion Apparel Canada Inc. et al (Court File: CV-17-11785-00CL)

As you know, Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “**Applicants**”) filed for and were granted creditor protection under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), pursuant to an order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) (the “**CCAA Proceedings**”). Pursuant to the Initial Order, the Court appointed Alvarez & Marsal Canada Inc. as monitor of the Applicants and Express Canada GC LP (collectively, the “**Express Canada Entities**”) to, among other things, oversee the CCAA Proceedings. (in such capacity and not in its personal or corporate capacity, the “**Monitor**”). A copy of the Initial Order and other information relating to the CCAA Proceedings has been posted to www.alvarezandmarsal.com/expresscanada (the “**Monitor’s Website**”).

The purpose of this notice is to inform you about the claims process that was approved by the Court on May 29, 2017 (the “**Claims Process**”). The Claims Process governs claims to be asserted against the Express Canada Entities in the CCAA Proceedings, including those made by employees of the Express Canada Entities as of May 4, 2017 (“**Employees**”). The Claims Process, as it relates to Employee claims, is described below.

Employee Claims Process

- Under the Claims Process, the Monitor is required to send a notice prepared by the Express Canada Entities, in consultation with the Monitor, to each Employee outlining the quantum of their claim against the Express Canada Entities that the Monitor is prepared to allow (“**Statement of Employee Claim**”).
- This notice is your Statement of Employee Claim, and your total claim has been assessed by the Express Canada Entities, in consultation with the Monitor, as follows:

Your claim against Express Fashion Apparel Canada Inc., as of ● 2017, has been assessed as a claim in the amount of \$● CAD. Details of your claim are set out in the attached schedule.

If you agree with the Express Canada Entities’ assessment of your claim, you need take no further action.

IF YOU WISH TO DISPUTE THE ASSESSMENT OF YOUR CLAIM, YOU MUST TAKE THE STEPS OUTLINED BELOW.

Disagreement with Assessment:

If you disagree with the assessment of your claim set out in this Statement of Employee Claim, you must complete and return to the Monitor a completed Notice of Dispute of Statement of Employee Claim asserting a claim in a different amount supported by appropriate documentation. A blank Notice of Dispute of Statement of Employee Claim form is enclosed. The Notice of Dispute of Statement of Employee Claim with supporting documentation disputing the within assessment of your claim **must be received by the Monitor no later than 5:00 p.m. (Toronto Time) on July 28, 2017.**

If no such Notice of Dispute of Statement of Employee Claim is received by the Monitor by that date, the amount of your claim will be, subject to further order of the Court, conclusively deemed to be as shown in this Statement of Employee Claim.

The Notice of Dispute of Statement of Employee Claim should be delivered by registered mail, personal delivery, courier, email (in PDF format) or facsimile transmission to:

Alvarez & Marsal Canada Inc., Express Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1

Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201

Attention: Josh Nevsky

Important Deadline:

If you do not file a Notice of Dispute of Statement of Employee Claim by July 28, 2017, you will have no further right to dispute your claim against any of the Express Canada Entities, as assessed by the Express Canada Entities, and you will be barred from filing any such dispute in the future.

More Information:

If you have questions regarding the foregoing, you may contact the Monitor at 1.844.692.6255 or monitor.expresscanada@alvarezandmarsal.com.

Yours truly,

TAB G

SCHEDULE “G”

NOTICE OF DISPUTE OF STATEMENT OF EMPLOYEE CLAIM

With respect to the Express Canada Entities⁷

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if applicable)

 (the “Claimant”)

Full Mailing Address of the Claimant:

Other Contact Information of the Claimant:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of original Employee from whom you acquired the Claim (if applicable):

Have you acquired this purported Claim from an Employee by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Employee claimant: _____

⁷ Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc. and Express Canada GC LP (collectively, the “Express Canada Entities”).

3. Dispute of Statement of Employee Claim:

The Claimant hereby disagrees with the value of its Claim as set out in the Statement of Employee Claim and asserts a Claim as follows:

	Currency	Amount in Statement of Employee Claim:	Amounts claimed by Claimant:⁸
Total Claim		\$	\$

4. Reasons for Dispute:

Please describe the reasons and basis for your dispute of the amount set out in your Statement of Employee Claim. You may attach a separate schedule if more space is required.

⁸ If necessary, currency will be converted in accordance with the Claims Procedure Order.

TAB H

SCHEDULE “H”

CLAIMANT’S GUIDE TO COMPLETING THE D&O PROOF OF CLAIM FORM FOR CLAIMS AGAINST DIRECTORS AND/OR OFFICERS OF EXPRESS FASHION APPAREL CANADA INC. AND EXPRESS CANADA GC GP, INC.

This Guide has been prepared to assist Claimants in filling out the D&O Proof of Claim form for claims against the Directors and/or Officers of Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “**Applicants**”). If you have any additional questions regarding completion of the D&O Proof of Claim, please consult the Monitor’s website at www.alvarezandmarsal.com/expresscanada or contact the Monitor, whose contact information is set out below.

The D&O Proof of Claim form is for Claimants asserting a claim against any Directors and/or, Officers of the Applicants, and NOT for claims against any of the Express Canada Entities⁹ themselves. For claims against the Express Canada Entities, please use the form titled “Proof of Claim Form for Claims Against the Express Canada Entities”, which is available on the Monitor’s website at www.alvarezandmarsal.com/expresscanada.

Additional copies of the D&O Proof of Claim form may be found at the Monitor’s website address noted above.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on May 29, 2017 (the “**Claims Procedure Order**”), the terms of the Claims Procedure Order will govern.

SECTION 1. - DEBTOR

1. The full name of all of the Applicants’ Directors or Officers against whom the Claim is asserted must be listed.

SECTION 2A. - ORIGINAL CLAIMANT

2. A separate D&O Proof of Claim must be filed by each legal entity or person asserting a claim against the Applicants’ Directors or Officers.
3. The Claimant shall include any and all D&O Claims that it asserts against the Applicants’ Directors or Officers in a single D&O Proof of Claim.
4. The full legal name of the Claimant must be provided.
5. If the Claimant operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.

⁹ Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc., and Express Canada GC LP (collectively, the “Express Canada Entities”)

6. If the claim has been assigned or transferred to another party, Section 2B, described below, must also be completed.
7. Unless the claim is assigned or transferred, all future correspondence, notices, etc., regarding the claim will be directed to the address and contact indicated in this section.

SECTION 2B. - ASSIGNEE

8. If the Claimant has assigned or otherwise transferred its claim, then Section 2B must be completed.
9. The full legal name of the Assignee must be provided.
10. If the Assignee operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
11. If the Monitor, in consultation with the Applicants, is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc., regarding the claim will be directed to the Assignee at the address and contact indicated in this section.

SECTION 3. - AMOUNT OF CLAIM OF CLAIMANT AGAINST DEBTOR

12. Indicate the amount the Director(s) and/or Officer(s) was/were and still is/are indebted to the Claimant in the Amount of Claim column, including interest up to and including May 3, 2017.

Currency

13. The amount of the claim must be provided in the currency in which it arose.
14. Indicate the appropriate currency in the Currency column.
15. If the claim is denominated in multiple currencies, use a separate line to indicate the claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
16. If necessary, currency will be converted in accordance with the Claims Procedure Order.

SECTION 4. - DOCUMENTATION

17. Attach to the D&O Proof of Claim form all particulars of the claim and all available supporting documentation, including amount and description of transaction(s) or agreement(s) or legal breach(es) giving rise to the claim.

SECTION 5. - CERTIFICATION

18. The person signing the D&O Proof of Claim should:
 - (a) be the Claimant or an authorized representative of the Claimant;
 - (b) have knowledge of all of the circumstances connected with this claim;

- (c) assert the claim against the Debtor(s) as set out in the D&O Proof of Claim and certify all available supporting documentation is attached; and
 - (d) have a witness to its certification.
19. By signing and submitting the D&O Proof of Claim, the Claimant is asserting the claim against the Debtor(s).

SECTION 6. - FILING OF CLAIM

20. **The D&O Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on July 28, 2017 (the “Claims Bar Date”) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

**Alvarez & Marsal Canada Inc., Express Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1**

**Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201**

Attention: Josh Nevsky

Failure to file your D&O Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m. on the Claims Bar Date will result in your claim being barred and you will be prevented from making or enforcing a claim against the Directors and Officers of the Applicants. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a creditor in the Applicants’ CCAA proceedings.

TAB I

SCHEDULE “T”

**PROOF OF CLAIM FORM FOR CLAIMS AGAINST
DIRECTORS OR OFFICERS OF EXPRESS FASHION APPAREL CANADA INC. AND
EXPRESS CANADA GC GP, INC.
(the “D&O Proof of Claim”)**

This form is to be used only by Claimants asserting a claim against any Directors and/or, Officers of Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “**Applicants**”) and NOT for claims against the Express Canada Entities¹ themselves. For claims against the Express Canada Entities, please use the form titled “Proof of Claim Form for Claims Against the Express Canada Entities”, which is available on the Monitor’s website at www.alvarezandmarsal.com/expresscanada.

1. Name of Officer(s) and/or Director(s) (the “Debtor(s)”)

Debtor(s): _____

2A. Original Claimant (the “Claimant”)

Legal Name of Claimant:	_____	Name of Contact	_____
Address	_____	Title	_____
_____	_____	Phone #	_____
_____	_____	Fax #	_____
City _____	Prov /State _____	Email	_____
Postal/Zip Code	_____		

2B. Assignee, if claim has been assigned

Legal Name of Assignee:	_____	Name of Contact	_____
Address	_____	Title	_____
_____	_____	Phone #	_____
_____	_____	Fax #	_____
City _____	Prov /State _____	Email	_____

¹ Express Fashion Apparel Canada Inc., Express Canada GC GP, Inc., and Express Canada GC LP (collectively, the “Express Canada Entities”)

Postal/Zip
Code _____

3. Amount of Claim

Name(s) of Director(s) and/or Officer(s)	Currency	Amount of Claim (including interest up to and including May 3, 2017)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Documentation

Provide all particulars of the Claim and all available supporting documentation, including any claim assignment/transfer agreement or similar document, if applicable, and including amount and description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim.

5. Certification

I hereby certify that:

1. I am the Claimant or an authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this Claim.
3. The Claimant asserts this Claim against the Debtor(s) as set out above.
4. All available documentation in support of this Claim is attached.

Signature: _____

Name: _____

Title: _____

Witness:

(signature)

(print)

Dated at _____ this _____ day of _____, 2017.

6. Filing of Claim

This D&O Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on July 28, 2017 by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

**Alvarez & Marsal Canada Inc., Express Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1**

**Email: monitor.expresscanada@alvarezandmarsal.com
Fax No.: 416-847-5201**

Attention: Josh Nevsky

For more information see www.alvarezandmarsal.com/expresscanada, or contact the Monitor by telephone at 1-844-692-6255.

N 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 EXPRESS FASHION APPAREL CANADA INC. and EXPRESS
CANADA GC GP, INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

CLAIMS PROCEDURE ORDER

OSLER, HOSKIN & HARCOURT LLP

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

Tracy C. Sandler (LSUC #: 32443N)
Email: tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)
Email: jdacks@osler.com

W. David Rankin (LSUC# 63261P)
Email: drankin@osler.com

Tel: 416.362.2111
Fax: 416.862.6666

Lawyers for the Applicants

TAB 4

Court File No. CV-17-11785-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR)	MONDAY, THE 29 th
)	
JUSTICE HAINEY)	DAY OF MAY, 2017

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 EXPRESS FASHION APPAREL
CANADA INC. AND EXPRESS CANADA GC GP, INC.

Applicants

STAY EXTENSION ORDER

THIS MOTION, made by Express Fashion Apparel Canada Inc. and Express Canada GC GP, Inc. (together, the “**Applicants**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the “**CCAA**”) for an order, *inter alia*, (i) extending the Stay Period (as defined in paragraph 14 of the Initial Order of the Ontario Superior Court of Justice (Commercial List) dated May 4, 2017 (the “**Initial Order**”)), and (ii) amending paragraph 10(a) of the Initial Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Todd Painter sworn May 23, 2017, including the exhibits thereto, the Second Report of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the “**Monitor**”) dated May ●, 2017, filed, and on hearing the submissions of respective counsel for the Applicants, the Monitor, Express, LLC, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn May ●, 2017:

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.

EXTENSION OF STAY PERIOD

2. THIS COURT ORDERS that the Stay Period (as defined in paragraph 14 of the Initial Order) is hereby extended until and including September 29, 2017.

AMENDMENT TO INITIAL ORDER

3. THIS COURT ORDERS that paragraph 10(a) of the Initial Order is amended to read as follows:

- (a) permanently or temporarily cease, downsize or shut down any of their respective businesses or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate, provided that, with respect to any leased premises, the Express Canada Entities may permanently but not temporarily cease, downsize or shut down unless provided for in the applicable lease;
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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EXPRESS FASHION APPAREL CANADA INC. and EXPRESS
CANADA GC GP, INC.**

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

PROCEEDING COMMENCED AT TORONTO

STAY EXTENSION ORDER

OSLER, HOSKIN & HARCOURT LLP

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

Tracy C. Sandler (LSUC #: 32443N)
tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)
jdacks@osler.com

W. David Rankin (LSUC# 63261P)
drankin@osler.com

Tel: 416.362.2111
Fax: 416.862.6666

Lawyers for the Applicants

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

Court File No: CV-17-11785-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
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PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(Motion for Claims Procedure Order and
Stay Extension Returnable May 29, 2017)**

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

Tracy C. Sandler (LSUC #: 32443N)
tsandler@osler.com

Jeremy Dacks (LSUC #: 41851R)
jdacks@osler.com

W. David Rankin (LSUC# 63261P)
drankin@osler.com

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