


EXHIBIT C

THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF MARK J. WONG
SWORN MAY 26, 2016



Commissioner for Taking Affidavits

**Michael Adam Schoenborn,
a Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires April 5, 2019.**

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

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

**SECOND AMENDED AND RESTATED JOINT PLAN OF COMPROMISE
AND ARRANGEMENT**

pursuant to the *Companies' Creditors Arrangement Act*

April 6, May 19, 2016

SECOND AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS:

- A. Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp. and Target Canada Property LLC (collectively, the “**Applicants**”) are insolvent;
- B. The Applicants filed for and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) on January 15, 2015, as amended and restated on February 11, 2015 (and as further amended, restated or varied from time to time, the “**Initial Order**”);
- C. The Initial Order declared that, although not Applicants, each of Target Canada Pharmacy Franchising LP, Target Canada Mobile LP and Target Canada Property LP shall enjoy the protections and authorizations provided by the Initial Order (together with the Applicants, the “**Target Canada Entities**”);
- D. Pursuant to the Initial Order, the Applicants have the authority to file with the Court, individually or collectively, a plan of compromise or arrangement, which plan will provide, among other things, a method of distribution to Creditors with Proven Claims and the framework for the completion of the orderly wind-down of the Target Canada Entities’ Business;
- E. The Target Canada Entities brought a motion before the Court heard on December 21 and 22, 2015 for an Order, *inter alia*, accepting the filing of a Joint Plan of Compromise and Arrangement dated November 27, 2015 (the “**Original Plan**”) and authorizing the Target Canada Entities to hold a meeting of Affected Creditors to consider and vote on a resolution to approve the Original Plan;
- F. The Court declined to grant the relief for the reasons set out in the Endorsement of Regional Senior Justice Morawetz dated January 15, 2016 (the “**January 15 Endorsement**”); and
- G. The Target Canada Entities ~~*hereby propose and present this*~~ amended and restated the Original Plan in the form of an Amended and Restated Joint Plan of Compromise and Arrangement under and pursuant to the CCAA and dated April 6, 2016 to, among other things, comply with the January 15 Endorsement (the “**Amended Plan**”).
- H. On April 13, 2016, the Court issued an Order (the “April 13 Order”), inter alia, accepting the filing of the Amended Plan and authorizing the Target Canada Entities to hold a meeting of Affected Creditors to consider and vote on a resolution to approve the Amended Plan.
- I. Pursuant to and in accordance with the April 13 Order, the Target Canada Entities ~~*hereby propose and present this*~~ Second Amended and Restated Joint Plan of

Compromise and Arrangement under and pursuant to the CCAA, which includes certain administrative amendments to the Amended Plan, that have been consented to by the Plan Sponsor and the Monitor, to better give effect to the implementation of the Amended Plan.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

“**A&M**” means Alvarez & Marsal Canada Inc. and its affiliates;

“**Administration Charge**” means the charge over the Property created by paragraph 54 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

“**Administrative Reserve**” means a Cash reserve from the TCC Cash Pool approved by the Court pursuant to the Sanction and Vesting Order, in an amount to be agreed by the Monitor, the Target Canada Entities and the Plan Sponsor three (3) Business Days prior to the Plan Implementation Date, to be deposited by TCC into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs, which Administrative Reserve shall be subject to the Administrative Reserve Adjustment;

“**Administrative Reserve Account**” means a segregated interest-bearing trust account established by TCC to hold the Administrative Reserve;

“**Administrative Reserve Adjustment**” means, on or after the Plan Implementation Date, an increase in the Administrative Reserve in such amount as the Monitor may determine to be necessary or desirable, in consultation with the Target Canada Entities and the Plan Sponsor, which increase shall be funded from the TCC Cash Pool Account;

“**Administrative Reserve Costs**” means costs incurred and payments to be made on or after the Plan Implementation Date (including costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date) in respect of (a) the Monitor’s fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings, including without limitation all costs associated with resolving Disputed Claims; (b) the Plan Sponsor’s fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with maintaining the books and records of the Target Canada Entities for purposes of assisting the Monitor in the completion of the resolution of the Disputed Claims and Claims of the Propco Creditors and the Property LP Creditors and the wind-down of the Target Canada Entities; (c) costs of any shared services (including in connection with the performance of TCC’s duties under the Plan, including without limitation administering distributions, disbursements and payments under the Plan) and employee-related expenses of the Target Canada Entities, including retention payments due to its employees; (d) any third-party fees incurred in connection with the administration of distributions, disbursements and

“Initial Distribution Date” means a date no more than ~~two~~five (25) Business Days after the Plan Implementation Date or such other date as the Target Canada Entities, the Plan Sponsor and the Monitor may agree;

“Initial Order” has the meaning ascribed thereto in the Recitals;

“Input Tax Credit” means an input tax credit receivable under the *Excise Tax Act* (Canada) or any equivalent or corresponding amount receivable under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, on account of GST/HST paid or payable;

“Intercompany Claim” means any Claim filed by any of the Target Canada Entities, or any of their affiliated companies, partnerships, or other corporate entities, including the Plan Sponsor or any of the Plan Sponsor Subsidiaries in accordance with the terms of the Claims Procedure Order, including the Claims set out on Schedule “A” but excluding any Claim arising through subrogation or assignment;

“Intercompany Claims Report” means the Twentieth Report of the Monitor dated August 31, 2015 providing the Monitor’s review of the Intercompany Claims pursuant to and in accordance with paragraph 35 of the Claims Procedure Order;

“IP Assets” means all rights, title and interest of the Target Canada Entities in intellectual property of any type, including the domain names set out in Schedule “B”;

“ITA” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, and any regulations thereunder;

“KERP” means the Key Employees Retention Plan approved by paragraph 24 of the Initial Order;

“KERP Charge” means the charge over the Property created by paragraph 25 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

“KERP Claim” means a claim of any Person under the KERP;

“Landlord” means any Person (excluding Propco and Property LP) who in its capacity as lessor was a party to a real property lease with TCC;

“Landlord Guarantee Claim” means the rights, remedies and claims of a Landlord against the Plan Sponsor or the HBC Entities arising under a lease, guarantee or indemnity, solely in respect of leases listed on Schedule “D”, but excluding however, amounts owing by the Target Canada Entities to the Landlord in respect of its Pre-filing Claim, if any, which amount forms part of a Landlord Guarantee Creditor’s Landlord Guarantee Creditor Base Claim Amount;

“Landlord Guarantee Creditor” means a Person holding a Landlord Guarantee Claim solely in respect of leases listed on Schedule “D”;

for the pharmacist franchisees who operated Target-branded retail pharmacies in TCC stores across Canada;

“**Pharmacy Purchaser**” means the Person who shall have been selected by the Target Canada Entities, in consultation with the Monitor, as the successful bidder for the Pharmacy Shares;

“**Pharmacy Shares**” means all of the issued and outstanding shares of Target Canada Pharmacy (Ontario) Corp.;

“**Pharmacy Share Sale Agreement**” means the binding share sale agreement between the Pharmacy Purchaser and TCC providing for the sale of the Pharmacy Shares to the Pharmacy Purchaser free and clear of all Encumbrances conditional on, *inter alia*, the issuance of the Pharmacy Share Sale Approval and Vesting Order, the Sanction and Vesting Order and the implementation of this Plan;

“**Pharmacy Share Sale Approval and Vesting Order**” means the Order to be sought by the Applicants approving the Pharmacy Share Sale Agreement and vesting all of TCC’s* right, title and interest in and to the Pharmacy Shares **absolutely in the Pharmacy Purchaser** free and clear of all Encumbrances*.

“**Plan**” means this amended and restated joint plan of compromise and arrangement under the CCAA, including the Schedules hereto, as amended, supplemented or replaced from time to time;

“**Plan Implementation Date**” means the Business Day or Business Days on which all of the Conditions Precedent to the implementation of the Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Plan, waived, as evidenced by the Monitor’s Plan Implementation Date Certificate to be filed with the Court;

“**Plan Sanction Date**” means the date that the Sanction and Vesting Order issued by the Court becomes a Final Order;

“**Plan Sponsor**” means Target Corporation, a corporation incorporated under Minnesota law;

“**Plan Sponsor GST/HST Contribution Amounts**” has the meaning ascribed thereto in Section 5.17;

“**Plan Sponsor Guarantee**” means any guarantee, indemnity, covenant or surety granted by the Plan Sponsor or the HBC Entities in favour of a Landlord Guarantee Creditor as set out on Schedule “D”, and for greater certainty including the Plan Sponsor’s or the HBC Entities’ guarantee in respect of the real property leases identified in Schedule “D”;

“**Plan Sponsor (Propco) Intercompany Claim**” means the Intercompany Claim 4A filed by the Plan Sponsor pursuant to the Claims Procedure Order against Propco in an amount of **US\$89,079,107** and not adjusted by the Monitor in the Intercompany Claims Report as set out in Schedule “A”;

- (c) On the Final Distribution Date, TCC:
- (i) with the assistance of the Monitor, shall determine the final aggregate percentage recovery to Affected Creditors (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) from the TCC Cash Pool up to and including the final distribution (and taking into account prior distributions) (the “**Final Aggregate Recovery Percentage**”);
 - (ii) shall pay to the Plan Sponsor an amount of Cash from the Plan Sponsor Propco Recovery Limit Reserve Account equal to (i) the product of (1) the Plan Sponsor Propco Recovery Limit multiplied by (2) the Final Aggregate Recovery Percentage, less (ii) the amount of distributions already made to the Plan Sponsor from the Plan Sponsor Propco Recovery Limit Reserve Account; and
 - (iii) thereafter, shall deposit into the TCC Cash Pool Account on behalf of Plan Sponsor as a contribution to TCC any remaining balance in the Plan Sponsor Propco Recovery Limit Reserve Account.

5.7 Initial Distributions from TCC Cash Pool Account to Affected Creditors with Proven Claims

On the Initial Distribution Date, the Cash in the TCC Cash Pool Account shall be distributed by TCC, on behalf and for the account of the Target Canada Entities, as follows:

- (a) each Convenience Class Creditor shall receive a distribution in the amount of its Convenience Class Claim, by cheque sent by prepaid ordinary mail to the address for such Convenience Class Creditor as set out in its Proof of Claim; and
- (b) each Affected Creditor (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) with a Proven Claim shall receive a distribution in an amount equal to its Pro Rata Share of the Cash in the TCC Cash Pool Account (after effecting the payments in Section 5.7(a)) by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor).

5.8 Disbursements of Landlord Non-Guarantee Creditor Equalization Amounts

On the Initial Distribution Date, TCC, on behalf and for the account of the Target Canada Entities, shall disburse to each Landlord Non-Guarantee Creditor with a Proven Claim that is a Landlord Restructuring Period Claim, each Landlord Non-Guarantee Creditor’s Landlord Non-Guarantee Creditor Equalization Amount from the Landlord Non-Guarantee Creditor Equalization Cash Pool Account by cheque sent by prepaid ordinary mail to the address for such Landlord in accordance with such Landlord’s Proof of Claim (or, at the election of TCC, by wire

transfer in accordance with the wire transfer instructions provided by the applicable Landlord Non-Guarantee Creditor).

5.9 Disbursements of Landlord Guarantee Creditor Base Claim Amounts

On the Initial Distribution Date, TCC, on behalf and for the account of the Target Canada Entities, shall disburse to each Landlord Guarantee Creditor with a Proven Claim that is a Landlord Restructuring Period Claim, each Landlord Guarantee Creditor's Landlord Guarantee Creditor Base Claim Amount from the Landlord Guarantee Creditor Base Claim Cash Pool Account by cheque sent by prepaid ordinary mail to the address for such Landlord in accordance with such Landlord's Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Landlord Guarantee Creditor).

5.10 Disbursements of Landlord Guarantee Enhancement Amount

On the Initial Distribution Date, TCC, on behalf and for the account of the Plan Sponsor in satisfaction of the Plan Sponsor's obligations under the Landlord Guarantee Creditor Settlement Agreement, shall disburse, in accordance with the Landlord Guarantee Creditor Settlement Agreement, to each Landlord Guarantee Creditor each Landlord Guarantee Creditor's Landlord Guarantee Enhancement Amount from the Landlord Guarantee Enhancement Cash Pool Account by cheque sent by prepaid ordinary mail to the address for such Landlord in accordance with such Landlord's Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Landlord Guarantee Creditor).

5.11 Resolution of Disputed TCC Creditor Claims and Subsequent Distributions

Subject to Section 5.7, from and after the Initial Distribution Date, as frequently as the Monitor may determine in its sole and unfettered discretion, TCC, on behalf of the Target Canada Entities, shall distribute to:

- (a) each Affected Creditor (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) with a Disputed Claim that has become a Proven Claim in whole or in part, on or before the third (3rd) Business Day prior to a Distribution Date (other than the Final Distribution Date), an amount of Cash from the TCC Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have otherwise already received pursuant to the Plan had its Disputed Claim been a Proven Claim on and as of the Initial Distribution Date, and any remaining balance in the TCC Disputed Claims Reserve Account relating to such Affected Creditor's Disputed Claim shall be deposited into the TCC Cash Pool Account; and
- (b) each Affected Creditor (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) with a Proven Claim an amount equal to such Affected Creditor's respective Pro Rata Share of the Cash in the TCC Cash Pool Account (subsequent to effecting the payments in Section 5.11(a)) by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim (or,

at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor).

5.12 Final Distribution

On the Final Distribution Date, once TCC has effected all distributions pursuant to Section 5.11 and there are no remaining Disputed Claims, and following the deposits into the TCC Cash Pool Account set out in Sections 5.3(b)(iv), 5.3(c), and 5.6(c)(iii):

- (a) TCC, on behalf of the Target Canada Entities, shall pay any final Administrative Reserve Costs;
- (b) thereafter, TCC shall contribute any balance remaining in the Administrative Reserve Account and the TCC Disputed Claims Reserve Account to the TCC Cash Pool Account;
- (c) thereafter, TCC shall distribute to the Affected Creditors (other than Convenience Class Creditors and Landlord Guarantee Creditors in respect of their Landlord Guarantee Creditor Base Claim Amounts) with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the TCC Cash Pool Account; and
- (d) thereafter, TCC shall provide written notice to the Monitor that it has completed its duties to effect all distributions, disbursements and payments in accordance with the Plan.

5.13 Treatment of Undeliverable Distributions

If any Affected Creditor's, Propco Unaffected Creditor's or Property LP Unaffected Creditor's distribution is returned as undeliverable or is not cashed, no further distributions to such Creditor shall be made unless and until the Monitor is notified by such Creditor of its current address or wire particulars, at which time all such distributions shall be made to such Creditor without interest. All claims for undeliverable or un-cashed distributions in respect of Proven Claims, Propco Unaffected Claims or Property LP Unaffected Claims must be made on or before the deadline specified in the Notice of Final Distribution, after which date the Claims of such Creditor or successor or assign of such Creditor with respect to such unclaimed or un-cashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time the Cash amount held by TCC in relation to such Claim shall be returned to the TCC Cash Pool Account or the Propco Cash Pool Account. Nothing in the Plan or Sanction and Vesting Order shall require the Monitor or TCC to attempt to locate the holder of any Proven Claim, Propco Unaffected Claim or Property LP Unaffected Claim.

If any Landlord Guarantee Creditor's distribution from the Landlord Guarantee Enhancement Cash Pool or any Landlord Non-Guarantee Creditor's distribution from the Landlord Non-Guarantee Creditor Equalization Cash Pool is returned as undeliverable or is not cashed, no further distributions to such Landlord shall be made unless and until the Monitor is notified by such Landlord of its current address or wire particulars, at which time all such distributions shall be made to such Landlord without interest. All claims for undeliverable or un-cashed

necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or partners of the Target Canada Entity, as applicable.

6.2 Pre-Plan Implementation Date Transactions

The following transactions shall be effected prior to the implementation of the Plan:

- (a) Landlord Guarantee Creditor Enhancement Amounts: The Plan Sponsor shall deliver **\$25.451 million** to TCC in accordance with Section 4.3; and
- (b) Landlord Non-Guarantee Creditor Equalization Amounts: The Plan Sponsor shall deliver **\$7.521 million** to TCC in accordance with Section 4.8.

6.3 Plan Implementation Date Transactions

The following transactions, steps, offsets, distributions, payments, disbursements, compromises, releases, discharges to be effected in the implementation of the Plan (the “**Plan Transactions**”) shall occur on or after the Plan Implementation Date:

- (a) Delivery of Cash to TCC: The Target Canada Entities (other than TCC) shall deliver to TCC the aggregate of all of their Cash in accordance with Article 4;
- (b) Establishment of Accounts and Reserves: TCC, with the supervision of the Monitor, shall establish the accounts and reserves in accordance with Article 4;
- (c) Subordinations of Intercompany Claims:
 - (i) In addition to the prior subordination of the NE1 Intercompany Claim, the Subordinated Intercompany Claims shall be and shall be deemed to be subordinated as against all Creditors, in accordance with Section 2.4;
 - (ii) The amount of the Property LP (Propco) Intercompany Claim equal to the Contributed Claim Amount shall be and shall be deemed to be subordinated as against and in favour of the proven Claims of all Propco Creditors, in accordance with Section 5.1;
 - (iii) The Plan Sponsor (Propco) Intercompany Claim shall be and shall be deemed to be subordinated as against and in favour of all Propco Unaffected Creditors and the Contributed Claim Amount, in accordance with Section 5.1;
 - (iv) The TCC (Pre-filing Propco) Intercompany Claim and the TCC (Post-filing Propco) Intercompany Claim shall be and shall be deemed to be subordinated as against and in favour of the Claims of all Propco Unaffected Creditors and the Contributed Claim Amount, in accordance with Section 5.1;
 - (v) For greater certainty, no other Intercompany Claims (other than those identified in clauses (i) to (iv) above) shall be deemed to be subordinated;

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- (d) Landlord Guarantee Creditor Enhancement Amount: TCC shall deposit the Landlord Guarantee Enhancement Amount received from the Plan Sponsor into the Landlord Guarantee Enhancement Cash Pool Account in accordance with Section 4.3;
- (e) Landlord Non-Guarantee Creditor Equalization Amounts: TCC shall deposit the Landlord Non-Guarantee Creditor Equalization Amounts received from the Plan Sponsor into the Landlord Non-Guarantee Creditor Equalization Cash Pool Account in accordance with Section 4.8;
- (f) Payments by TCC: TCC, on behalf of the Target Canada Entities, shall pay the following Administrative Reserve Costs from the Administrative Reserve Account on or after the Plan Implementation Date pursuant to the Sanction and Vesting Order and the CCAA:
 - (i) all fees and disbursements owing as at the Plan Implementation Date to counsel to the Target Canada Entities, the Monitor, counsel to the Monitor, counsel to the Directors and the Employee Representative Counsel;
 - (ii) all fees and disbursements owing as at the Plan Implementation Date to Northwest;
 - (iii) all amounts on account of Government Priority Claims;
 - (iv) all amounts on account of Employee Priority Claims, to the extent such amounts have not been satisfied from the Employee Trust;
 - (v) all amounts on account of proven TCC Secured Construction Lien Claims;
 - (vi) all amounts on account of Cash Management Lender Claims;
 - (vii) all amounts on account of the Post-Filing Trade Payables;
 - (viii) all amounts owing to Persons on account of their KERP Claims;
 - (ix) all fees owing to third-parties on account of the administration of distributions, disbursements and payments under the Plan, including without limitation Bank of America; and
 - (x) such amounts as may be necessary to fund any final minor adjustments to the Cash pools after establishment thereof in accordance with Section 6.3(b);
- (g) Release of CCAA Charges; Continuation of Administration Charge: The Financial Advisor Subordinated Charge, the DIP Lender's Charge, the Liquidation Agent's Charge and Security Interest and the KERP Charge shall be discharged and the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Propco Cash Pool, the TCC Cash Pool, and the Cash

Reserves from and after the Plan Implementation Date pursuant to and in accordance with the Sanction and Vesting Order;

- (h) Directors and Officers: On the Plan Implementation Date, the Directors and Officers of the Target Canada Entities (other than the current Directors of TCC and Target Canada Pharmacy (Ontario) Corp.) shall and shall be deemed to resign without the requirement of further action on the part of such Directors and Officers, unless any one of them affirmatively elects to remain as a Director or Officer, as applicable, in order to facilitate any Plan Transaction Steps in connection with the wind-down of the Target Canada Entities; for the avoidance of doubt, any deemed resignation pursuant to this Section 6.3(h) or the Sanction and Vesting Order will not disentitle, or otherwise negatively affect, the entitlements of any Directors and Officers pursuant to the terms of any existing employment or retention agreements, which agreements shall continue subject to the terms and conditions thereof;
- (i) Distributions from the Propco Cash Pool and the Propco Disputed Claims Reserve: Once TCC, in consultation with the Monitor, has determined that all requisite consents, declarations, certificates or approvals of or by any Governmental Authority as may be considered necessary by TCC or the Monitor in respect of any such distribution have been obtained, TCC shall make distributions from the Propco Cash Pool Account and the Propco Disputed Claims Reserve Account in accordance with Sections 5.2, 5.3, 5.4 and 5.5;
- (j) Intercompany Distributions from the Propco Cash Pool: TCC shall deposit, and each of Property LP and the Plan Sponsor shall and shall be deemed to direct that TCC shall deposit, any distributions to be received from TCC out of the Propco Cash Pool Account to the Landlord Guarantee Enhancement Cash Pool Account, the Plan Sponsor Propco Recovery Limit Reserve Account and the TCC Cash Pool Account in the order and in the amounts set out in Section 5.3;
- (k) Distributions from the Plan Sponsor Propco Recovery Limit Reserve: TCC shall make distributions from the Plan Sponsor Propco Recovery Limit Reserve Account to the Plan Sponsor in accordance with Section 5.6;
- (l) Distributions from the TCC Cash Pool and the TCC Disputed Claims Reserve: Once TCC, in consultation with the Monitor, has determined that all requisite consents, declarations, certificates or approvals of or by any Governmental Authority as may be considered necessary by TCC or the Monitor in respect of any such distribution have been obtained, TCC shall make distributions from the TCC Cash Pool Account and the TCC Disputed Claims Reserve Account in accordance with Sections 5.7, 5.11 and 5.12;
- (m) Disbursement of Landlord Non-Guarantee Creditor Equalization Amounts: On the Initial Distribution Date, TCC, on behalf of the Plan Sponsor, shall fully and finally disburse the Landlord Non-Guarantee Creditor Equalization Amounts in accordance with Section 5.8;

- (n) Disbursement of Landlord Guarantee Creditor Base Claim Amounts: On the Initial Distribution Date, TCC, on behalf of the Target Canada Entities, shall fully and finally disburse the Landlord Guarantee Creditor Base Claim Amounts in accordance with Section 5.9;
- (o) Disbursement of Landlord Guarantee Enhancement Amounts: On the Initial Distribution Date, TCC, on behalf of the Plan Sponsor, shall fully and finally disburse the Landlord Guarantee Enhancement Amounts in accordance with Section 5.10;
- (p) Compromise, Satisfaction and Release: The compromises with the Affected Creditors, the full and final satisfaction of the Propco Unaffected Claims and the Property LP Unaffected Claims and the release of the Released Parties referred to herein shall become effective in accordance with Article 7 of the Plan, and Propco and Property LP shall be deemed to have no claims against the Landlords, including without limitation arising out of the Plan Sponsor Guarantees;
- (q) IP Assets: On the Plan Implementation Date, in partial consideration for the Plan Sponsor contributing to the Landlord Guarantee Enhancement Cash Pool and the Plan Sponsor's subordination of the Subordinated Intercompany Claims and the re-contribution of the Property LP (Propco) Intercompany Claim in excess of the Contributed Claim Amount, the IP Assets shall be transferred and shall vest absolutely in the Plan Sponsor (or its designee) free and clear of all Encumbrances pursuant to and in accordance with the Sanction and Vesting Order;
- (r) Pharmacy Shares: On the Plan Implementation Date, upon the delivery of the Monitor's certificate as set out in ~~Section 8.2(e)~~ the Pharmacy Share Sale Approval and Vesting Order, the Pharmacy Shares shall be transferred and shall vest absolutely in the Pharmacy Purchaser free and clear of all Encumbrances pursuant to and in accordance with the ~~Sanction~~ Pharmacy Share Sale Approval and Vesting Order and the Directors of Target Canada Pharmacy (Ontario) Corp. shall and shall be deemed to resign immediately prior to the closing of such transaction without the requirement of further action;
- (s) Disposition of Remaining Assets and Collection of Receivables: The Monitor shall be authorized to collect any outstanding receivables and to market and sell any remaining assets of the Target Canada Entities, and if the sale price for such assets is greater than \$250,000, such sale shall be approved pursuant to Court Order. Subject to Section 5.17, the proceeds of any such sales or receivables shall be deposited to the TCC Cash Pool Account;
- (t) Maintenance of Target Canada Entities: If necessary to effect the sale of the shares of one or more of the Target Canada Entities, the Monitor shall file all necessary annual information forms or returns under Applicable Law in order to maintain such Target Canada Entities in good standing;
- (u) Dissolutions: Immediately prior to the delivery by the Monitor of the Monitor's Plan Completion Certificate, and with the Target Canada Entities' and the Plan

Sponsor's consent, steps shall be taken to dissolve any remaining Target Canada Entities in a tax efficient and orderly manner;

- (v) Termination of the Employee Trust: Upon delivery of a certificate from the Employee Trust Trustee to the Monitor in the form attached as Schedule "F" (the "**Employee Trust Termination Certificate**") certifying that all outstanding disputes by employee claimants in respect of their entitlements, if any, under the Employee Trust have been fully and finally resolved pursuant to and in accordance with the Employee Trust Claims Resolution Order:
- (i) the Employee Trust shall be and shall be deemed to be terminated;
 - (ii) any remaining Trustee Fees, Trustee Expenses, Administrator Fees and Administrator Expenses (each as defined in the Employee Trust Agreement) shall be paid from any remaining Employee Trust Property to the Employee Trust Trustee and the Employee Trust Administrator, as applicable;
 - (iii) the Employee Trust Trustee shall satisfy any commitments to pay Eligible Employee Claims (as defined in the Employee Trust Agreement) made under Article 2 of the Employee Trust Agreement with the assistance of the Employee Trust Administrator;
 - (iv) the Employee Trust Trustee and the Employee Trust Administrator shall deliver an irrevocable joint direction to The Royal Bank of Canada in the form attached as Schedule "G" (the "**Employee Trust Property Joint Direction**") to remit the balance of the Employee Trust Property, net of the payments set out in Sections 6.3(v)(ii) and 6.3(v)(iii), in each case net of any applicable Withholding Obligations, to the Plan Sponsor or its designee in accordance with the written directions to be delivered by the Plan Sponsor to the Employee Trust Trustee and the Employee Trust Administrator one (1) Business Day prior to the date of delivery of the Employee Trust Property Joint Direction, provided however that the Employee Trust Trustee and the Employee Trust Administrator shall not be required to deliver such direction until all requisite consents, declarations, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Employee Trust Trustee and the Employee Trust Administrator have been obtained; and
 - (v) the Employee Trust Trustee and the Employee Trust Administrator shall be and shall be deemed to be fully and finally released and discharged from all of their respective obligations under the Employee Trust Agreement.

ARTICLE 8
COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

8.1 Application for Sanction and Vesting Order

If the Required Majority of the Affected Creditors approves the Plan, the Target Canada Entities shall apply for the Sanction and Vesting Order on or before the date set in the Meeting Order for the hearing of the Sanction and Vesting Order or such later date as the Court may set.

8.2 Sanction and Vesting Order

The Sanction and Vesting Order will have effect from and after the Effective Time on the Plan Implementation Date, and shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims in conformity with the CCAA; (ii) the Target Canada Entities have complied with the provisions of the CCAA and the Orders of the Court made in these CCAA Proceedings in all respects; (iii) the Court is satisfied that the Target Canada Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the Plan Transaction Steps contemplated thereby are fair and reasonable;
- (b) declare that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective on the Target Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties affected by the Plan as of the Effective Time;
- (c) authorize and direct the Employee Trust Trustee and the Employee Trust Administrator to remit the balance of the Employee Trust Property, net of the payments set out in Sections 6.3(v)(ii) and 6.3(v)(iii) and any applicable Withholding Obligations, to the Plan Sponsor or its designee upon delivery by the Employee Trust Trustee and the Employee Trust Administrator of the Employee Trust Property Joint Direction to The Royal Bank of Canada pursuant to and in accordance with the Plan;
- (d) grant to the Monitor, in addition to its rights and obligations under the CCAA, the powers, duties and protections contemplated by and required under the Plan and authorize and direct the Monitor to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof;
- (e) authorize the Monitor to take all such actions to market and sell any remaining assets and pursue any outstanding accounts receivable owing to any of the Target Canada Entities, or to assist the Target Canada Entities with respect thereto;
- (f) declare that all right, title and interest in and to the IP Assets have vested absolutely in the Plan Sponsor (or its designee), free and clear of all Encumbrances;

- ~~(g)~~ authorize and approve the execution of the Pharmacy Share Sale Agreement by TCC and declare that all* right, title and interest in and to the Pharmacy Shares* shall vest* absolutely in the Pharmacy Purchaser*; *free and clear of all Encumbrances*, upon the delivery of a certificate from the Monitor confirming that all conditions precedent to closing set out in the Pharmacy Share Sale Agreement have been satisfied or waived by TCC and the Pharmacy Purchaser, as applicable;
- (g) ~~(h)~~ direct the Plan Sponsor to maintain the books and records of the Target Canada Entities for purposes of assisting the Monitor in the completion of the resolution of Disputed Claims and Claims of the Propco Creditors and the Property LP Creditors and the orderly wind-down of the Target Canada Entities;
- ~~(h)~~ ~~(i)~~ confirm the releases of the Released Parties as set out in Section 7.1;
- ~~(i)~~ ~~(j)~~ declare that any Affected Claim, any Propco Unaffected Claim and any Property LP Unaffected Claim for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order shall be forever barred and extinguished;
- (j) ~~(k)~~ declare that the stays of proceedings in favour of the Landlords pursuant to the Orders of the Court set out in Schedule "H" (the "**Co-Tenancy Stay Schedule**") shall have terminated on the dates set out in the Co-Tenancy Stay Schedule;
- ~~(k)~~ ~~(l)~~ deem the remaining Directors and Officers of the Target Canada Entities (other than the current Directors of TCC or Target Canada Pharmacy (Ontario) Corp.) to have resigned without replacement on the Effective Time on the Plan Implementation Date, unless such Persons affirmatively elect to remain as a Director or Officer in order to facilitate any Plan Transaction Steps in connection with the wind-down of any of the Target Canada Entities;
- ~~(l)~~ ~~(m)~~ deem the Directors of Target Canada Pharmacy (Ontario) Corp. to have resigned in accordance with Section 6.3(r);
- ~~(m)~~ ~~(n)~~ declare that all distributions or payments by TCC, in each case on behalf of the Target Canada Entities, to the Affected Creditors with Proven Claims, to Propco Unaffected Creditors and to the Property LP Unaffected Creditors under the Plan are for the account of the Target Canada Entities and the fulfillment of their respective obligations under the Plan;
- ~~(n)~~ ~~(o)~~ declare that in no circumstance will the Monitor have any liability for any of the Target Canada Entities' tax liabilities regardless of how or when such liability may have arisen;
- (o) ~~(p)~~ declare that TCC shall be authorized, in connection with the making of any payment or distribution, and TCC and the Monitor shall be authorized, in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental

Authority for any consent, authorization, certificate or approval in connection therewith;

- (p) ~~(q)~~ declare that, in carrying out the terms of the Sanction and Vesting Order and the Plan, (i) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in the CCAA Proceedings, and as an officer of the Court, including the Stay of Proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction and Vesting Order and/or the Plan; and (iii) the Monitor shall be entitled to rely on the books and records of the Target Canada Entities and any information provided by any of the Target Canada Entities without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;
- (q) ~~(r)~~ provide for discharge of the CCAA Charges (other than the Administration Charge and the Directors' Charge) and the continuation of the Administration Charge and the Directors' Charge which shall survive the Plan Implementation Date;
- (r) ~~(s)~~ approve the Monitor's form of Notice of Final Distribution;
- (s) ~~(t)~~ authorize the Target Canada Entities (at their sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and the Sanction and Vesting Order and to confirm the Plan and the Sanction and Vesting Order as binding and effective in any appropriate foreign jurisdiction;
- (t) ~~(u)~~ declare that the Target Canada Entities and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan;
- (u) ~~(v)~~ approve the form of the Employee Trust Termination Certificate, and declare that upon the delivery thereof, the Monitor shall file the Employee Trust Termination Certificate with the Court and, immediately upon such filing:
 - (i) the Employee Trust Trustee shall be deemed to be discharged from its duties as Employee Trust Trustee and released of all claims relating to its activities as Employee Trust Trustee; and
 - (ii) the Employee Trust Administrator shall be deemed to be discharged from its duties as Employee Trust Administrator and released of all claims relating to its activities as Employee Trust Trustee; and
- (v) ~~(w)~~ approve the form of the Monitor's Plan Completion Certificate, and declare that the Monitor, in its capacity as Monitor, following written notice from TCC pursuant to Section 5.12(d) that TCC has completed its duties to effect distributions, disbursements and payments in accordance with the Plan, shall file with the Court the Monitor's Plan Completion Certificate stating that all of its duties and the Target Canada Entities' duties under the Plan and the Orders have

been completed, and thereafter the Monitor shall seek an Order, *inter alia*, discharging and releasing the Monitor from its duties as Monitor in the CCAA Proceedings ~~and~~, releasing the Target Canada Entities and any Directors and Officers holding such office following the Plan Implementation Date and their advisors, from all claims relating to the implementation of the Plan; ~~and (x)~~ release and releasing the Administration Charge and the Directors' Charge.

8.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent by the date specified therefor, provided however that any waiver of any such conditions precedent shall require the consent of the Plan Sponsor and the Monitor acting reasonably:

- (a) each of the Landlord Guarantee Creditors and the Plan Sponsor shall have executed and delivered the Landlord Guarantee Creditor Settlement Agreement and each of the Landlord Non-Guarantee Creditors and TCC shall have executed and delivered a Landlord Non-Guarantee Creditor Consent and Support Agreement(s), which agreements shall be in full force and effect;
- (b) the Meeting Order shall have been granted by the Court on or before April 21, 2016, or such later date as shall be acceptable to TCC in consultation with the Monitor, and shall have become a Final Order;
- (c) the Creditors' Meeting to consider and vote on the Plan shall have been convened by the date set by the Meeting Order or such later date and shall be acceptable to TCC in consultation with the Monitor;
- (d) the Target Canada Entities shall have satisfied their respective Post-Filing Trade Payables in the ordinary course or provision shall have been made in respect thereof in the Administrative Reserve to the satisfaction of the Monitor;
- (e) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Target Canada Entities, the Plan Sponsor and the Monitor in respect of the Plan Transaction Steps shall have been obtained;
- (f) the Plan shall have been approved by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;
- (g) the Sanction and Vesting Order shall have been granted by the Court by June 6, 2016, or such later date as shall be acceptable to TCC, in consultation with the Monitor, in form satisfactory to the Target Canada Entities, the Plan Sponsor and the Monitor, and shall have become a Final Order; and
- (h) the Plan Implementation Date shall have occurred by the date that is seven (7) days from the date on which the Sanction and Vesting Order becomes a Final Order, which in no event shall be later than July 29, 2016.

Email: jcarfagnini@goodmans.ca / mwagner@goodmans.ca

(d) If to the Employee Trust Trustee:

Hon. John D. Ground
Amicus Chambers
141 Adelaide Street West
11th Floor
Toronto, ON M5H 3L5

Email: jground@NeesonChambers.com

with a copy to:

Lax O'Sullivan Lissus Gottlieb LLP
145 King Street West, Suite 2750
Toronto, ON M5H 1J8

Attention: Terrence O'Sullivan
Email: tosullivan@counsel-toronto.com

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

9.12 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the ~~6¹⁹~~¹⁹th day of ~~April~~^{May}, 2016.

SCHEDULE "B"**Domain Names**

alliesforconsumerdigitalsafety.ca
avaandviv.ca
avaviv.ca
~~beckondoors.ca~~
beckonmanufacturing.ca
beckonwindows.ca
brightspotmobile.ca
brightspotphone.ca
bullseyemobilesolutions.ca
bullseyepharmacy.ca
bullseyeshoprequests.ca
bullseyespecialrequests.ca
bullseyesubscription.ca
bullseyesubscriptions.ca
bullseyeticket.ca
bullseyetickets.ca
canadapartneronline.ca
consumerdigitalsafetyallies.ca
consumerdigitalsafetyconsortium.ca
digitalsafetyallies.ca
dites-le-nous-target.ca
domaniedelarcher.ca
expectmorepayless.ca
garde-marche.ca
hopethop.ca
larcheraraicher.ca
marchefute.ca
moretaylor.ca
mybrightspot.ca
partenairescanadiensonline.ca
partneronlinecanada.ca
pharmacyevents.ca
redperk.ca
redperks.ca
reellementessentiel.ca
savoreveryday.ca
savoureeveryday.ca
smith-hawken.ca
smithhawken.ca
smithnhawken.ca
suttonanddodge.ca
takechargeofeducation.ca
target-ceo.ca
targetcartwheel.ca

targetceo.ca
targetexpress.ca
targetget.ca
targetlocation.ca
targetspoton.ca
targetsubscription.ca
targetsubscriptions.ca
tellbullseye.ca
telltargt.ca
telltgt.ca
tevolio.ca
trouvezmieuxpayezmoins.ca
upandup.ca
upandupbrand.ca
upup.ca
upupbrand.ca
wellbeingdreams.ca
winecube.ca
yourtarget.ca

EXHIBIT D

THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF MARK J. WONG
SWORN MAY 26, 2016



Commissioner for Taking Affidavits

**Michael Adam Schoenborn,
a Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires April 5, 2019.**

April 13, 2016

TO: Creditors of Target Canada Co. and the other Target Canada Entities

Dear Sirs/Mesdames:

Proposed Amended and Restated Plan of Compromise and Arrangement

On behalf of the Target Canada Entities, Target Canada is pleased to present its Amended and Restated Plan of Compromise and Arrangement (the “Plan”). If approved by the creditors and sanctioned by the Court, the Plan will:

- provide significant monetary recovery for creditors,
- accelerate timely payout to creditors, and
- resolve our CCAA proceedings with certainty and finality.

The Plan is an amended and restated version of the “Original Plan” that Target Canada sought to file in late 2015. The most significant change from the Original Plan is that the amounts of all landlord claims arising from disclaimed leases and all related guarantee claims against Target Corporation have been resolved outside of the Plan. The agreement of the landlords is conditional on approval of the Plan by the creditors and the Court.

The Target Canada Entities have obtained Court approval that a single class of unsecured creditors be permitted to vote on the Plan at a meeting to be held on May 25, 2016. This class will include our landlords, trade creditors, suppliers of services, pharmacists and all of our other unsecured creditors.

Key features of the Plan include:

1. Based on current information, **we expect a range of recovery for affected unsecured creditors of approximately 68% to 78% of their proven claims.**¹
2. Target Corporation’s agreement to subordinate the majority of its intercompany claims against Target Canada has been maintained from the Original Plan.

¹ This range is based on information from the Monitor as of April 1, 2016 and is provided on an estimated basis, as there remain significant claims that have not yet been finalized for distribution purposes. In addition, certain potential creditors such as the Canada Revenue Agency have filed claims for an unliquidated or unknown amount. Any references to range of recovery in this letter are subject to these important qualifications and those outlined in the Monitor’s Twenty-Third, Twenty-Fourth and Twenty-Sixth Reports.

3. Target Corporation is the “Plan Sponsor” and will also make additional Cash contributions under the Plan, which are on top of the many contributions that Target Corporation has already made in these CCAA proceedings.² In exchange, the Plan will provide a release in favour of Target Corporation.³
4. Target Canada believes that this is the best available plan in the circumstances. It maximizes creditor recovery, expedites plan implementation and complies with the Court’s orders and directions.
5. The alternative to the Plan is a bankruptcy. We understand that Target Corporation’s agreement to subordinate the vast majority of the intercompany claims is on the basis of the Plan only and would not be available in bankruptcy proceedings. Both Target Canada and the Monitor believe that creditor recoveries under the Plan will be far superior to what would result from a bankruptcy. The significant recoveries under the Plan are only possible because of Target Corporation’s agreement to permit the subordination of the intercompany claims.
6. If the creditors approve the Plan at the creditors’ meeting, we expect to apply to the Court on June 2, 2016 for an order sanctioning the Plan. If the order is granted, we hope to make an initial distribution to creditors as quickly as possible.

1. Background to the Plan

We have worked tirelessly over the course of these CCAA proceedings to maximize the value of our assets for the benefit of all creditors, including through the sale of our inventory and real property. By July 2015, this realization phase was substantially complete. We began negotiating and developing the terms of a plan that would resolve all claims against the Target Canada Entities and complete our CCAA proceedings.

We developed and proposed a global resolution for consideration by the Monitor and held meetings with the Consultative Committee of creditors. Through this process, we refined the proposed global resolution in an effort to achieve a balanced plan for our

² Target Corporation’s significant economic contributions to date in these CCAA proceedings include: (1) the prior subordination of the approximately \$3.1 billion intercompany claim by a subsidiary of Target Corporation against Target Canada; (2) funding the Employee Trust in the amount of \$95 million and the consequent removal of the related employee claims from the Target Canada estate; (3) making available DIP financing to allow Target Canada to meet payroll and other obligations; and (4) providing ongoing shared services to Target Canada to facilitate the orderly wind down of the businesses, under which terms Target Corporation will not be fully compensated for its actual costs incurred.

³ Target Corporation will not receive a release under the Plan in respect of Landlord Guarantee Claims (as that term is defined in the Plan).

stakeholders. We continued to meet with representatives of a range of our creditors, including landlords, trade creditors and other constituents, to obtain feedback and to garner support for the timely, consensual resolution to our CCAA proceedings.

In December 2015, Target Canada brought a motion asking the Court to accept the filing of the Original Plan and order a creditors' meeting to vote on it. That motion was opposed by certain landlords who objected to the Original Plan's treatment of their guarantee claims. The Original Plan proposed to compromise and settle those claims, which would have required the Court to amend the Initial Order to remove paragraph 19A. The Court dismissed the motion, finding, among other things, that compromising the guarantee claims without the landlords' consent would violate paragraph 19A of the Initial Order.

Target Canada immediately resumed discussions with the landlords in an effort to develop a consensual, global resolution and achieve Court approval. On February 1, 2016, Target Canada proposed a timetable by which it would negotiate a resolution with the landlords and, if successful, seek approval of a revised plan. The timetable contemplated that, unless 100% of the landlords executed the necessary agreements (described below) by March 4, 2016, Target Canada would take steps to transition to a bankruptcy process.

On March 4, 2016, after weeks of tough negotiations, Target Canada announced that all landlords had entered into the necessary agreements, which included: (1) a settlement agreement between Target Corporation and all landlords with disclaimed leases guaranteed by Target Corporation, which contractually resolved the guarantee claims outside of the Plan; and (2) consent and support agreements between Target Canada and all other landlords with disclaimed leases. All of these landlords committed to support and vote for the Plan. Target Corporation also entered into a Plan Sponsor Agreement, which contains Target Corporation's commitment to fund certain contributions into the Plan and to support and be bound by the Plan. Target Canada also announced that the Monitor and the Consultative Committee support the filing of the Plan.

Since that date, we have continued to engage with a range of creditors and other stakeholders in an attempt to build consensus for the Plan and, ultimately, a positive vote at the creditors' meeting. Target Canada and the Monitor are also working to resolve disputed claims and unquantified claims (such as the unquantified claims by the Canada Revenue Agency) in an effort to maximize the initial distributions to creditors.

We are very pleased to present our Plan to you. We firmly believe that it maximizes creditor recovery and will facilitate the controlled and orderly wind down of the Target Canada Entities in a timely manner.

2. Treatment of Creditors and Expected Recoveries

This letter provides information about expected recoveries to help you understand the Plan. You should note, however, that the information in this letter is qualified in its entirety by reference to the detailed information contained in the Plan. You should read the Plan carefully to understand its terms, as well as the other considerations that may be important to you in deciding whether to approve the Plan. You should consult financial, tax or other professional advisors regarding the Plan.

(a) Claims Against Propco and Property LP

Third party creditors of Propco and Property LP will be paid 100% of their proven claims against Propco and Property LP on the initial distribution date, or, in the case of a disputed claim that becomes a proven claim against Propco or Property LP, by the final distribution date.

After the third party creditors of Propco and Property LP have been paid their proven claims, Propco's remaining cash will be paid toward valid intercompany claims against Propco that are held by Target Canada, Property LP and Target Corporation. The Plan provides that a limited amount of this cash will be paid to Target Corporation in respect of a valid intercompany claim. Target Corporation will direct that any other cash be delivered to Target Canada for distribution to creditors in accordance with the Plan.

(b) Convenience Class Creditors

The Plan refers to creditors with proven claims of less than or equal to \$25,000 (in the aggregate) as "Convenience Class Creditors". They will be paid 100% of their proven claims on the initial distribution date.

Other creditors with claims in excess of \$25,000 can elect to become, and be treated for all Plan purposes as, Convenience Class Creditors, in which case they will be paid \$25,000 on the initial distribution date.

All Convenience Class Creditors are deemed to vote in favour of the Plan and will not receive further distributions under the Plan after the initial distribution date.

(c) Landlords with Disclaimed Leases

Landlords with disclaimed leases have agreed to the quantum of their claims against the Target Canada Entities as part of the consensual resolution. For disclaimed leases guaranteed by Target Corporation, on the initial distribution date the landlords will receive 100% of their proven claims from Target Canada and additional amounts funded by Target Corporation as agreed to between Target Corporation and the landlords.

Unlike the Original Plan, the Plan does not use a “Landlord Formula Amount” to value landlord claims. Instead, all landlords with disclaimed leases have consensually agreed to values for their restructuring period claims and pre-filing claims.

For disclaimed leases guaranteed by Target Corporation, Target Canada will pay landlords 100% of their proven claims against Target Canada on the initial distribution date. These payments will be funded by Target Canada.

Target Canada will pay all other landlords with disclaimed leases their *pro rata* share of their proven claims on the same dates that Target Canada pays other unsecured creditors. In addition, these landlords will receive an additional payment on the initial distribution date that is designed to provide them with approximately the same proven claim recovery that they would have received under the Original Plan. This additional amount will be funded by Target Corporation so that the payments will not dilute the recovery of the other creditors.

(d) Creditors of Target Canada and its Subsidiaries

All other creditors of Target Canada and its subsidiaries⁴ are expected to be paid distributions in the range of 68% to 78% of their proven claims.⁵ Payments will begin on the initial distribution date and continue until the final distribution date.

Creditors holding disputed claims will receive distributions on account of their claims once proven or the amount owing is resolved.

⁴ Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp. and Target Canada Pharmacy (SK) Corp.

⁵ See footnote 1.

Although the expected range of recoveries is approximately 7% lower under this Plan than under the Original Plan, this reduction was necessary to: (1) provide enhanced recoveries to Landlord Guarantee Creditors to achieve the consensual resolution with the landlords; and (2) maintain Target Corporation's subordination of the majority of its intercompany claims against Target Canada. We believe that we have taken all reasonably available steps to maximize the recoveries for creditors given the circumstances we faced and believe that the recoveries contemplated under this Plan are far superior to the recoveries that creditors would receive under an alternate plan without this subordination or in a bankruptcy.

(e) **Employees**

Target Canada and Target Corporation designed the Employee Trust to provide a measure of financial security for current employees during the orderly wind down, by ensuring that employees were paid certain amounts, including receiving working notice following termination. Target Corporation has paid \$95 million to fund the Employee Trust. Creditors of Target Canada benefit from the Employee Trust because significant employee claims have been eliminated from the Target Canada estate. Based on current information from the Monitor, we expect that approximately \$81 million will have been paid in respect of employee claims through the Employee Trust.

Although the CCAA provides that a Plan must provide for payment in full of "Employee Priority Claims", the Employee Trust has already paid most, if not all, claims that would otherwise be considered Employee Priority Claims. Based on information from the Monitor, there is currently a surplus in the Employee Trust. Employee Priority Claims – if any exist – are therefore expected to be paid entirely out of the Employee Trust. Any balance in the Trust will be repaid to Target Corporation.

(f) **Additional Information about Claims, Generally**

(i) *Currency*

All monetary amounts in this letter are in Canadian dollars, unless otherwise stated. All payments under the Plan will be made in Canadian dollars. In accordance with the Claims Procedure Order, any claim denominated in a foreign currency will be converted at the Bank of Canada noon exchange rate in effect on January 15, 2015. For claims denominated in US dollars, the conversion rate is US\$1 : Cdn\$1.1932.

(ii) *Assignment of Claims*

A creditor may only transfer or assign its claim in accordance with, and subject to the restrictions in, the Plan.

(iii) *Tax Considerations*

Creditors are urged to consult their own advisors regarding the income or other tax consequences of their participation in the Plan.

All creditors and assignees of creditor claims should be aware that payments made under the Plan, if paid to persons who are not resident in Canada for purposes of Canada's *Income Tax Act*, may be subject to Canadian withholding tax. In particular, payments made to such non-residents under the Plan on account of landlord claims will generally be subject to a 25% Canadian withholding tax.

Target Canada will be entitled to deduct and withhold and remit from any distribution payable to any person pursuant to the Plan such amounts as are required by applicable laws, including Canada's *Income Tax Act*. To the extent that amounts are so withheld or deducted and remitted to the relevant taxing authority, such amounts will be treated as having been paid to such person under the Plan.

Payments made under the Plan may be inclusive of applicable Canadian federal goods and services and harmonized sales taxes, and other applicable Canadian provincial sales taxes, as may be required to be remitted by the recipient to an applicable taxing authority.

3. The Creditors' Meeting and Voting on the Plan

As noted above, the Court ordered on April 13, 2016 that a single class of unsecured creditors be permitted to vote on the Plan at a meeting to be held on **May 25, 2016**. At the creditors' meeting, creditors will consider and, if thought advisable, vote to approve the Plan. All creditors that will be affected by the Plan will be entitled to vote on the Plan.

Certain persons are not entitled to vote on the Plan, including holders of unaffected claims and intercompany claims, among others. As a related party, Target Corporation is not entitled to vote in support of the Plan in respect of any of its claims.

4. Where You Can Find More Information

As stated above, the information provided in this letter is intended to help you understand the Plan. You should note, however, that the governing document is the Plan. You should read the Plan carefully in its entirety to understand its terms, as well as the other considerations that may be important to you in deciding whether to approve the Plan. You should consult financial, tax or other professional advisors regarding the Plan and should not construe the contents of this letter as investment, legal or tax advice. The Monitor will be serving its report on the Plan on or before May 11, 2016 in advance of the creditors' meeting.

Page 8

If you have any questions with respect to the Plan, you should contact our counsel at Osler or the Monitor. All questions and correspondence to Osler or the Monitor should be directed to Tracy Sandler or Alan Hutchens, respectively:

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
100 King Street West
Toronto, ON M5X 1B8

Attention: Tracy C. Sandler
Email: tsandler@osler.com

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

Attention: Alan J. Hutchens
Email: targetcanadamonitor@alvarezandmarsal.com

Additional information is available on the website that is maintained by the Monitor in respect of these CCAA proceedings at <http://www.alvarezandmarsal.com/targetcanada>.

* * *

We thank you for your continued support, cooperation and confidence in the Target Canada Entities throughout our restructuring process. We hope that you will vote for the Plan.

Yours very truly,

Target Canada Co.
per:

“Aaron Alt”

Aaron Alt,
Chief Executive Officer

EXHIBIT E

THIS IS EXHIBIT "E" TO THE
AFFIDAVIT OF MARK J. WONG
SWORN MAY 26, 2016



Commissioner for Taking Affidavits

**Michael Adam Schoenborn,
a Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires April 5, 2019.**

April 22, 2016

TO: Creditors of Target Canada Co. and the other Target Canada Entities

Dear Sirs/Mesdames:

RE: Consultative Committee Support of Target Canada's Amended and Restated Plan of Compromise and Arrangement (the "Amended Plan")

We are the members of the Court-appointed Consultative Committee in these CCAA proceedings. The members of the Consultative Committee were selected by the Monitor at the direction of the Court because we represent a cross-section of Target Canada's stakeholders including trade creditors, landlords and service providers. We operate under a protocol approved by the Court.

The Consultative Committee unanimously supports the approval of the Amended Plan.

The Consultative Committee has played an active role in these proceedings. We have met on numerous occasions with the Monitor and Target Canada. We have provided input on the Amended Plan and advocated for a consensual resolution that would maximize recovery for Target Canada's creditors. We have appeared in Court to ensure that the interests of our clients were properly considered.

With the benefit of this insight, the Consultative Committee is of the view that the Amended Plan represents the best alternative for creditors in light of all relevant circumstances. It is clear to the Consultative Committee that Target Canada, with the assistance of the Monitor, has achieved a consensual resolution to the various claims asserted in the CCAA proceedings that will result in significant recoveries for all affected creditors in a timely manner. We are recommending that creditors vote in favour of the Amended Plan at the creditors' meeting.

Yours very truly,

The Consultative Committee
per:

"Linc Rogers"

Blakes, Cassels & Graydon LLP

"Jeffrey Carhart"

Miller Thomson LLP

"Dan Murdoch"

Stikeman Elliott LLP

"Linda Galessiere"

McLean & Kerr LLP

"Lou Brzezinski"

Blaney McMurtry LLP

"Catherine Francis"

Minden Gross LLP

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 2ND
)
REGIONAL SENIOR JUSTICE) DAY OF JUNE, 2016
)
MORAWETZ)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

SANCTION AND VESTING ORDER

THIS MOTION, made by the Applicants and the partnerships listed on Schedule "A" hereto (together with the Applicants, the "**Target Canada Entities**") for an order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*: (a) sanctioning the Second Amended and Restated Joint Plan of Compromise and Arrangement dated May 19, 2016 (as amended, varied or supplemented from time to time in accordance with the terms thereof, and together with all schedules thereto, the "**Plan**"), which Plan is attached as Schedule "B" hereto; and (b) vesting all of the Target Canada Entities' right, title and interest in and to the IP Assets (as defined in the Plan) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Mark J. Wong sworn May 26, 2016 (the "**Wong Affidavit**"), the Twenty-Seventh Report of Alvarez & Marsal Canada Inc. in its capacity as monitor of the Target Canada Entities (the "**Monitor**") dated May 11, 2016, the

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Twenty-Eighth Report of the Monitor dated ●, 2016, and on hearing the submissions of respective counsel for the Target Canada Entities, the Monitor, and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

DEFINED TERMS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to such terms in the Plan.

SERVICE, NOTICE AND MEETINGS

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Meeting Materials (as defined in the Meeting Order granted by this Court on April 13, 2016 (the “**Meeting Order**”)) and that the Creditors’ Meeting was duly called, convened, held and conducted, all in conformity with the CCAA and the Orders of this Court made in the CCAA Proceedings, including, without limitation, the Meeting Order.

SANCTION OF THE PLAN

4. **THIS COURT ORDERS AND DECLARES** that:

- (a) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims as required by the Meeting Order, and in conformity with the CCAA;
- (b) the Target Canada Entities have complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects;
- (c) the Court is satisfied that the Target Canada Entities have not done or purported to do anything that is not authorized by the CCAA; and
- (d) the Target Canada Entities have acted in good faith and with due diligence, and the Plan and the Plan Transaction Steps contemplated therein are fair and reasonable.

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5. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

6. **THIS COURT ORDERS** that each of the Target Canada Entities, their respective directors and officers, and the Monitor is authorized and directed to take all steps and actions (including, without limitation, the Plan Transaction Steps), and to do all things, necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, disbursements, payments, deliveries, allocations, instruments and agreements contemplated pursuant to the Plan, and such steps and actions are hereby authorized, ratified and approved. None of the Target Canada Entities, their respective directors and officers or the Monitor shall incur any liability as a result of acting in accordance with the terms of the Plan and this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

7. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby (including, without limitation, the Plan Transaction Steps) are hereby approved, shall be deemed to be implemented and shall be binding and effective as of the Effective Time in accordance with the terms of the Plan or at such other time, times or manner as may be set forth in the Plan in the sequence provided therein, and shall enure to the benefit of and be binding and effective upon the Target Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties named or referred to in, affected by, or subject to the Plan.

8. **THIS COURT ORDERS** that upon delivery to the Monitor of written notice from the Target Canada Entities and the Plan Sponsor of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in section 8.3 of the Plan, the Monitor shall deliver to the Target Canada Entities a certificate signed by the Monitor substantially in the form attached as Schedule “C” hereto confirming that all of the conditions precedent set out in section 8.3 of the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of this Order (the “**Monitor’s Plan Implementation Date**”).

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Certificate”). The Monitor is hereby directed to file the Monitor’s Plan Implementation Date Certificate with the Court as soon as reasonably practicable on or forthwith following the Plan Implementation Date after delivery thereof and shall post a copy of same, once filed, on the Website and provide a copy to the Service List.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

9. **THIS COURT ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, discharged and released with prejudice, and the ability of any Person to proceed against the Released Parties in respect of or relating to any such Affected Claims shall be and shall be deemed forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims shall permanently be stayed against the Released Parties, subject only to the right of Affected Creditors to receive the distributions pursuant to the Plan and this Order in respect of their Affected Claims, in the manner and to the extent provided for in the Plan.

10. **THIS COURT ORDERS** that the determination of Proven Claims in accordance with the Claims Procedure Order and Plan shall be final and binding on the Target Canada Entities and all Affected Creditors.

11. **THIS COURT ORDERS** that an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Plan.

12. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order. Any Affected Claim, any Propco Unaffected Claim and any Property LP Unaffected Claim for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order, whether or not the holder of such Affected Claim, Propco Unaffected Claim or Property LP Unaffected Claim has received personal notification of

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the claims process established by the Claims Procedure Order, shall be and are hereby forever barred, extinguished and released with prejudice.

13. **THIS COURT ORDERS** that each Person named or referred to in, or subject to, the Plan shall be and is hereby deemed to have consented and agreed to all of the provisions in the Plan, in its entirety, and each Person named or referred to in, or subject to, the Plan shall be and is hereby deemed to have executed and delivered to the Target Group Entities all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

14. **THIS COURT ORDERS AND DECLARES** that all distributions or payments by TCC, in each case on behalf of the Target Canada Entities, to Affected Creditors with Proven Claims, to Propco Unaffected Creditors and to Property LP Unaffected Creditors under the Plan are for the account of the Target Canada Entities and the fulfillment of their respective obligations under the Plan.

15. **THIS COURT ORDERS** that sections 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any transactions, distributions or settlement payments implemented pursuant to the Plan.

16. **THIS COURT ORDERS AND DECLARES** that TCC shall be authorized, in connection with the making of any payment or distribution, and in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith.

17. **THIS COURT ORDERS** that the Target Canada Entities are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable Tax withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditors, Propco Unaffected Creditors or Property LP Unaffected Creditors in respect of which such withholding was made, provided such withheld amounts be remitted to the appropriate Governmental Authority.

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18. **THIS COURT ORDERS AND DECLARES** that any distributions, disbursements or payments made under the Plan or this Order (including without limitation distributions made to or for the benefit of the Affected Creditors, Propco Unaffected Creditors or Property LP Unaffected Creditors) shall not constitute a “distribution” by any person for the purposes of section 107 of the *Corporations Tax Act* (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act, 2007* (Ontario), section 34 of the *Income Tax Act* (British Columbia), section 104 of the *Social Service Tax Act* (British Columbia), section 49 of the *Alberta Corporate Tax Act*, section 22 of the *Income Tax Act* (Manitoba), section 73 of *The Tax Administration and Miscellaneous Taxes Act* (Manitoba), section 14 of *An Act respecting the Ministère du Revenu* (Quebec), section 85 of *The Income Tax Act, 2000* (Saskatchewan), section 48 of *The Revenue and Financial Services Act* (Saskatchewan), section 56 of the *Income Tax Act* (Nova Scotia), section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 46 of the *Employment Insurance Act* (Canada), or any other similar federal, provincial or territorial tax legislation (collectively, the “**Tax Statutes**”), and TCC, in making any such distributions, disbursements or payments, as applicable, is merely a disbursing agent under the Plan and is not exercising any discretion in making payments under the Plan and no person is “distributing” such funds for the purpose of the Tax Statutes, and TCC and any other person shall not incur any liability under the Tax Statutes in respect of distributions, disbursements or payments made by it and TCC and any other person is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of or as a result of distributions, disbursements or payments made by it in accordance with the Plan and this Order and any claims of this nature are hereby forever barred.

ESTABLISHMENT OF CASH RESERVES

19. **THIS COURT ORDERS** that on the Plan Implementation Date, TCC shall be and is hereby authorized and directed to fund the Administrative Reserve out of the TCC Cash Pool in an aggregate amount to be agreed upon by TCC, the Monitor and the Plan Sponsor three (3) Business Days prior to the Plan Implementation Date.

20. **THIS COURT ORDERS** that, pursuant to and in accordance with the Plan, TCC is hereby authorized to establish the Propco Disputed Claims Reserve on the Plan

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Implementation Date from the Propco Cash Pool for the benefit of Propco in an amount equal to the face value of disputed Claims of the Propco Creditors and the Property LP Creditors (excluding Landlord Restructuring Period Claims but not excluding any disputed Property LP Unaffected Claims held by Landlords).

21. **THIS COURT ORDERS** that, pursuant to and in accordance with the Plan, TCC is hereby authorized to establish the TCC Disputed Claims Reserve on the Plan Implementation Date from the TCC Cash Pool in an amount equal to the expected distributions to be made to all Creditors with Disputed Claims (based on the face value of each Disputed Claim) as such amount is agreed to between TCC, the Monitor and the Plan Sponsor three (3) Business Days prior to the Plan Implementation Date.

VESTING

22. **THIS COURT ORDERS** that on the Plan Implementation Date, all of the Target Canada Entities' right, title and interest in and to the IP Assets listed on Schedule "D" shall vest absolutely in 3293849 Nova Scotia Company and all of the Target Canada Entities' right, title and interest in and to the IP Assets listed on Schedule "E" shall vest absolutely in Target Brands Inc., in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, Claims (as defined in the Plan), or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**IP Asset Claims**"), including, without limiting the generality of the foregoing:

- (a) the Administration Charge, the KERP Charge, the Directors' Charge, the Financial Advisor Subordinated Charge, the DIP Lender's Charge, and the Agent's Charge and Security Interest (as defined in the Approval Order - Agency Agreement dated February 4, 2015); and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;

(all of which are collectively referred to as the "**Encumbrances**")

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and, for greater certainty, this Court orders that all of the IP Asset Claims and Encumbrances affecting or relating to the IP Assets are hereby expunged and discharged as against the IP Assets.

23. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Target Canada Entities and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Target Canada Entities;

the vesting of the IP Assets in 3293849 Nova Scotia Company and Target Brands Inc. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Target Canada Entities and shall not be void or voidable by creditors of the Target Canada Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

24. **THIS COURT ORDERS** that the transfer of the IP Assets is exempt from the application of the *Bulk Sales Act* (Ontario).

EMPLOYEE TRUST

25. **THIS COURT ORDERS** that the form of Employee Trust Termination Certificate attached as Schedule “F” to the Plan and Employee Trust Property Joint Direction attached as Schedule “G” to the Plan are each hereby approved.

26. **THIS COURT ORDERS** that the Employee Trust Trustee and the Employee Trust Administrator shall be and are hereby authorized and directed to perform their functions and fulfill their obligations under the Plan without liability to facilitate the implementation and administration of the Plan, as necessary, pursuant to and in accordance with the terms of the

Plan, including without limitation to remit the balance of the Employee Trust Property, net of the payments set out in Sections 6.3(v)(ii) and 6.3(v)(iii) and any applicable Withholding Obligations, to the Plan Sponsor or its designee upon delivery by the Employee Trust Trustee and the Employee Trust Administrator of an Employee Trust Property Joint Direction to The Royal Bank of Canada, and such performance of their functions and fulfillment of their obligations are hereby authorized, ratified and approved.

27. **THIS COURT ORDERS** that upon the delivery of the Employee Trust Termination Certificate from the Employee Trust Trustee to the Monitor:

- (a) any remaining Trustee Fees, Trustee Expenses, Administrator Fees and Administrator Expenses (each as defined in the Employee Trust Agreement) shall be paid from any remaining Employee Trust Property to the Employee Trust Trustee and the Employee Trust Administrator, as applicable;
- (b) the Employee Trust Trustee shall satisfy any commitments to pay Eligible Employee Claims (as defined in the Employee Trust Agreement) made under Article 2 of the Employee Trust Agreement with the assistance of the Employee Trust Administrator;
- (c) the Employee Trust Trustee and the Employee Trust Administrator shall deliver the Employee Trust Property Joint Direction to The Royal Bank of Canada in accordance with Section 6.3(v)(iv) of the Plan;
- (d) the Employee Trust Trustee and the Employee Trust Administrator shall be and shall be deemed to be fully and finally released and discharged from all of their respective obligations under the Employee Trust Agreement and from all claims relating to their activities as Employee Trust Trustee and Employee Trust Administrator, respectively; and
- (e) the Employee Trust shall be and shall be deemed to be wound-up and terminated.

28. **THIS COURT ORDERS** that the Monitor is hereby directed to file the Employee Trust Termination Certificate with the Court as soon as reasonably practicable after delivery thereof and shall post a copy of same, once filed, on the Website and provide a copy to the Service List.

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RELEASES

29. **THIS COURT ORDERS AND DECLARES** that the compromises and releases set out in Article 7 of the Plan are approved and shall be binding and effective as at the Plan Implementation Date, provided that the releases in favour of an Employee Trust Released Party shall be effective immediately upon delivery of the Employee Trust Termination Certificate to the Monitor in accordance with the Plan.

30. **THIS COURT ORDERS** that from and after the Plan Implementation Date (and in respect of an Employee Trust Released Party, from and after the delivery of the Employee Trust Termination Certificate to the Monitor) any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims, Propco Unaffected Claims, Property LP Unaffected Claims and matters which are released pursuant to paragraph 29 of this Order and Article 7 of the Plan or discharged, compromised or terminated pursuant to the Plan.

DIRECTORS AND OFFICERS

31. **THIS COURT ORDERS** that the remaining Directors and Officers of the Target Canada Entities (other than the current Directors of TCC or Target Canada Pharmacy (Ontario) Corp.) shall be deemed to have resigned without replacement at the Effective Time on the Plan Implementation Date, unless such Persons affirmatively elect to remain as a Director or Officer in order to facilitate any Plan Transaction Steps in connection with the wind-down of any of the Target Canada Entities.

32. **THIS COURT ORDERS** that the Directors of Target Canada Pharmacy (Ontario) Corp. shall be deemed to have resigned in accordance with Section 6.3(r) of the Plan.

PLAN CHARGES

33. **THIS COURT ORDERS** that each of the Financial Advisor Subordinated Charge, the DIP Lender's Charge, the Liquidation Agent's Charge and Security Interest and the KERP

Charge is hereby terminated, released and discharged on the Plan Implementation Date and each of the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Propco Cash Pool and the TCC Cash Pool and the Cash Reserves from and after the Plan Implementation Date.

THE MONITOR

34. **THIS COURT ORDERS** that in addition to its prescribed rights and obligations under the CCAA and the Orders of the Court made in these CCAA Proceedings, the Monitor is granted the powers, duties and protections contemplated by and required under the Plan and that the Monitor be and is hereby authorized, entitled and empowered to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof, including without limitation:

- (a) to take all such actions to market and sell any remaining assets and pursue any outstanding accounts receivable owing to any of the Target Canada Entities, or to assist the Target Canada Entities with respect thereto;
- (b) to act, if required, as trustee in bankruptcy, liquidator, receiver or a similar official of the Target Canada Entities; and
- (c) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under any other Order granted by this Court including for advice and directions with respect to any matter arising from or under the Plan.

35. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order or the provisions of any other Order granted in the CCAA Proceeding, including this Order, the Target Canada Entities shall remain in possession and control of the Property (each as defined in the Initial Order) and that the Monitor shall not take possession or be deemed to be in possession and/or control of the Property.

36. **THIS COURT ORDERS AND DECLARES** that the Monitor shall be authorized, in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith.

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37. **THIS COURT ORDERS** that the Plan Sponsor shall be and is hereby directed to maintain the books and records of the Target Canada Entities for purposes of assisting the Monitor in the completion of the resolution of the Disputed Claims and Claims of the Propco Creditors and the Property LP Creditors and the orderly wind-down of the Target Canada Entities.

38. **THIS COURT ORDERS AND DECLARES** that: (i) in carrying out the terms of this Order and the Plan, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and as an officer of the Court, including the Stay of Proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order and/or the Plan, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor; (iii) the Monitor shall be entitled to rely on the books and records of the Target Canada Entities and any information provided by the Target Canada Entities without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

39. **THIS COURT ORDERS AND DECLARES** that in no circumstance will the Monitor have any liability for any of the Target Canada Entities' tax liabilities regardless of how or when such liability may have arisen.

40. **THIS COURT ORDERS** that the Monitor shall publish a notice to Affected Creditors, substantially in the form attached as Schedule "F" hereto (the "**Notice of Final Distribution**"), at least thirty (30) days in advance of the Final Distribution Date in *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal* notifying Affected Creditors of the Final Distribution Date.

41. **THIS COURT ORDERS** that the form of Monitor's Plan Completion Certificate attached as Schedule "G" hereto is hereby approved and declares that the Monitor, in its capacity as Monitor, following receipt of a written notice from TCC pursuant to section 5.12(d) of the Plan that TCC has completed its duties to effect distributions, disbursements and payments in accordance with the Plan, shall file the Monitor's Plan Completion Certificate with this Court stating that all of its duties and the Target Canada Entities' duties under the Plan and the Orders have been completed, and thereafter the Monitor shall seek an Order, *inter alia*, (a) approving its

final fees and disbursements and those of its counsel; (b) discharging the Monitor from its duties as Monitor in the CCAA Proceedings, (c) terminating, releasing and discharging the Administration Charge (subject to payment of final fees and disbursements) and the Directors' Charge, and (d) releasing the Target Canada Entities, the Monitor and any Directors and Officers holding such office following the Plan Implementation Date and their advisors, from all claims relating to the implementation of the Plan.

42. **THIS COURT ORDERS** that the Monitor is hereby directed to post a copy of the Monitor's Plan Completion Certificate, once filed, on the Website and provide a copy to the Service List.

STAY EXTENSION

43. **THIS COURT ORDERS** that the Stay Period in the Initial Order be and is hereby extended until and including September 23, 2016, or such later date as this Court may order.

EXTENSION OF NOTICE OF OBJECTION BAR DATE

44. **THIS COURT ORDERS** that the definition of "Notice of Objection Bar Date" set out in paragraph 3(aa) of the Claims Procedure Order (issued by Regional Senior Justice Morawetz on June 11, 2015, as amended) is hereby amended to extend the Notice of Objection Bar Date to the Plan Implementation Date and that the Notice of Objection Bar Date will expire on the Plan Implementation Date.

DISCHARGE OF THE CONSULTATIVE COMMITTEE

45. **THIS COURT ORDERS** that, effective immediately upon delivery of the Monitor's Plan Implementation Date Certificate, the Consultative Committee and each Member thereof shall be and is hereby discharged and the Members shall no longer be entitled to payments of \$5,000 plus HST per month, and such payments shall cease, subject to payment by the Target Canada Entities of any such monthly amounts then outstanding to Members.

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GENERAL

46. **THIS COURT ORDERS** that the Target Canada Entities and the Monitor may apply to this Court from time to time for advice and direction with respect to any matter arising from or under the Plan or this Order.

47. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.

48. **THIS COURT ORDERS** that the Target Canada Entities (at their sole election) are hereby authorized to seek an order of any court of competent jurisdiction to recognize the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, and to assist the Target Canada Entities, the Monitor and their respective agents in carrying out the terms of the Plan and this Order.

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

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SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP
Target Canada Mobile LP
Target Canada Property LP

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SCHEDULE "B"
SECOND AMENDED AND RESTATED PLAN

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**SCHEDULE “C”
FORM OF MONITOR’S PLAN IMPLEMENTATION DATE CERTIFICATE**

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

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

**MONITOR’S CERTIFICATE
(Plan Implementation)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Regional Senior Justice Morawetz made in these proceedings on June 2, 2016 (the “**Sanction and Vesting Order**”).

Pursuant to paragraph 8 of the Sanction and Vesting Order, Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor of the Target Canada Entities (the “**Monitor**”) delivers to the Target Canada Entities this certificate and hereby certifies that it has been informed in writing by the Target Canada Entities and the Plan Sponsor that all of the conditions precedent set out in section 8.3 of the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of the Sanction and Vesting Order. This Certificate will be filed with the Court and posted on the Website.

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DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2016 at ● [a.m. / p.m].

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of Target Canada Co., *et al.* and not in its personal or corporate capacity

By: _____
Name:
Title:

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SCHEDULE "D"**IP ASSETS VESTED IN 3293849 NOVA SCOTIA COMPANY**

alliesforconsumerdigitalsafety.ca
avaandviv.ca
avaviv.ca
brightspotmobile.ca
brightspotphone.ca
bullseyemobilesolutions.ca
bullseyepharmacy.ca
bullseyeshoprequests.ca
bullseyespecialrequests.ca
bullseyesubscription.ca
bullseyesubscriptions.ca
bullseyeticket.ca
bullseyetickets.ca
canadapartneronline.ca
consumerdigitalsafetyallies.ca
consumerdigitalsafetyconsortium.ca
digitalsafetyallies.ca
dites-le-nous-target.ca
domaniedelarcher.ca
garde-marche.ca
hopethop.ca
larcheraraicher.ca
marchefute.ca
moretaylor.ca
mybrightspot.ca
partenairescanadiensonline.ca
partneronlinecanada.ca
pharmacyevents.ca
redperk.ca
redperks.ca
reellementessentiel.ca
savoreveryday.ca
savoureeveryday.ca
tellbullseye.ca
telltgt.ca
tevolio.ca
wellbeingdreams.ca

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SCHEDULE "E"**IP ASSETS VESTED IN TARGET BRANDS INC.**

expectmorepayless.ca
smith-hawken.ca
smithhawken.ca
smithnhawken.ca
suttonanddodge.ca
takechargeofeducation.ca
target-ceo.ca
targetcartwheel.ca
targetceo.ca
targetexpress.ca
targetget.ca
targetlocation.ca
targetspoton.ca
targetsubscription.ca
targetsubscriptions.ca
telltargget.ca
trouvezmieuxpayezmoins.ca
upandup.ca
upandupbrand.ca
upup.ca
upupbrand.ca
winecube.ca
yourtarget.ca

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SCHEDULE "F"
FORM OF MONITOR'S NOTICE OF FINAL DISTRIBUTION

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

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

NOTICE OF FINAL DISTRIBUTION

All capitalized terms not otherwise defined in this Notice shall have the meanings ascribed thereto in the Second Amended and Restated Joint Plan of Compromise and Arrangement of the Applicants pursuant to the *Companies' Creditors Arrangement Act* dated May 19, 2016 (as further amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**"), a copy of which is available at www.alvarezandmarsal.com/targetcanada.

TAKE NOTICE THAT Target Canada Co. shall effect a final distribution under the Plan on [●] (the "**Final Distribution Date**") pursuant to and in accordance with the terms of the Plan and the Sanction and Vesting Order issued by the Ontario Superior Court of Justice (Commercial List) on June 2, 2016.

AND TAKE NOTICE THAT the Plan provides that if any Affected Creditor's, Propco Unaffected Creditor's, Property LP Unaffected Creditor's, Landlord Guarantee Creditor's or Landlord Non-Guarantee Creditor's distribution is returned as undeliverable or is not cashed, no further distributions to such Creditor or Landlord shall be made unless and until the Monitor is notified by such creditor of its current address or wire particulars, at which time all distributions shall be made to such Creditor or Landlord without interest.

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AND TAKE NOTICE THAT all Affected Creditors, Propco Unaffected Creditors, Property LP Unaffected Creditors, Landlord Guarantee Creditors and Landlord Non-Guarantee Creditors who have not received a distribution in respect of their Proven Claims, Propco Unaffected Claims, Property LP Unaffected Claims, Landlord Guarantee Enhancement Amounts or Landlord Guarantee Non-Creditor Equalization Amounts, as applicable, must contact the Monitor, Alvarez & Marsal Canada Inc., at 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J 2J1 (Attention: Steven Glustein), facsimile number: (416) 847-5201 or email: targetcanadamonitor@alvarezandmarsal.com on or before 5:00 p.m. (Toronto time) on ● (the “**Distribution Deadline**”).

AND TAKE NOTICE THAT, after the Distribution Deadline:

- (a) all claims for undeliverable or un-cashed distributions in respect of Proven Claims, Propco Unaffected Claims and Property LP Unaffected Claims of any Affected Creditor, Propco Unaffected Creditor or Property LP Unaffected Creditor, as applicable, or the successor or assign of such Affected Creditor, Propco Unaffected Creditor or Property LP Unaffected Creditor, as applicable, shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary, at which time the Cash amount held by TCC in relation to such Proven Claim, Propco Unaffected Claim or Property LP Unaffected Claim shall be returned to the TCC Cash Pool Account or the Propco Cash Pool Account, as applicable, pursuant to and in accordance with the Plan; and
- (b) all claims for undeliverable or un-cashed distributions in respect of Landlord Guarantee Enhancement Amounts and Landlord Non-Guarantee Creditor Equalization Amounts of any Landlord, or the successor or assign of such Landlord, shall be forever discharged and forever barred, without any compensation therefor and shall be dealt with in accordance with the Plan.

DATED at the City of Toronto in the Province of Ontario this ● day of ●, ●.

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**SCHEDULE “G”
FORM OF MONITOR’S PLAN COMPLETION CERTIFICATE**

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

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

**MONITOR’S CERTIFICATE
(Plan Completion)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Regional Senior Justice Morawetz made in these proceedings on June 2, 2016 (the “**Sanction and Vesting Order**”).

Pursuant to paragraph [41] of the Sanction and Vesting Order, Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor of the Target Canada Entities (the “**Monitor**”) delivers to the Target Canada Entities this certificate and hereby certifies that it has been informed in writing by TCC that TCC has completed its duties to effect distributions, disbursements and payments in accordance with the Plan and that all of the Monitor’s duties and the Target Canada Entities’ duties under the Plan and the Orders have been completed.

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DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2016 at ● [a.m. / p.m.].

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of Target Canada Co., *et al.* and not in its personal or corporate capacity

By: _____
Name:
Title:

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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 TARGET CANADA CO., et al.**

Applicants

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

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

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD OF THE APPLICANTS

(Plan Sanction Hearing)

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