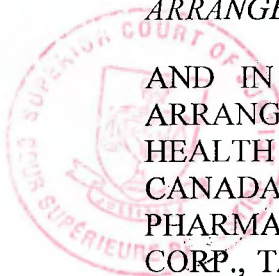


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL) FRIDAY, THE 12TH
)
SENIOR JUSTICE MORAWETZ) DAY OF FEBRUARY, 2016

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 (the "**Applicants**")

ORDER

THIS MOTION, made by Sutts Strosberg LLP in its capacity as PHARMACIST
REPRESENTATIVE COUNSEL and the PHARMACY FRANCHISEE ASSOCIATION OF
CANADA ("**PFAC**") for an order for the relief set out in the Motion Record dated February 9,
2016:

ON READING the moving parties' Motion Record dated February 9, 2016 including the
affidavit of Harvey T. Strosberg, Q.C. sworn February 2, 2016 and on hearing the submissions of
Pharmacist Representative Counsel and counsel for the Monitor,

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

2. THIS COURT ORDERS that Sutts Strosberg LLP are hereby appointed as Pharmacist Representative Counsel (in such capacity, “**Pharmacist Representative Counsel**”) to represent the interests of the pharmacist franchisees in respect of Claims filed in the Claims Process under the Claims Procedure Order issued June 11, 2015, as amended (collectively, the “**Pharmacy Franchisees**”).

3. THIS COURT ORDERS AND DIRECTS that the reasonable fees, disbursements (including the experts’ and advisors’ reasonable fees), and taxes thereon, of Pharmacist Representative Counsel shall be paid by the Pharmacy Franchisees, out of their individual distributions from the Claims Process, calculated as up to 10% of the distribution otherwise payable in respect of such individual Pharmacist Franchisee claim, plus a proportionate share of disbursements, plus taxes (collectively, “**Fees**”), payable to Pharmacist Representative Counsel from the distribution that would otherwise be payable to the claimant, and the Fees are secured by a charge against and payable from any distributions made to the Pharmacy Franchisees, under the Claims Adjudication Process.

4. THIS COURT ORDERS that the fairness and reasonableness of the Fees shall be in such amount as may be approved by the Court on full disclosure of particulars at the conclusion of the claims adjudication process relating to the Pharmacy Franchisees.


5. THIS COURT ORDERS that the Notice of Dispute of Revision or Disallowance delivered to the Monitor on January 7, 2016 by Pharmacist Representative Counsel (the “**Notice of Dispute**”), is a valid dispute of the collective and individual claims of the Pharmacy Franchisees, subject to paragraph 8 herein. For greater certainty, any Pharmacist Franchisee who filed a Claim in the Claims Process and in respect of which the Monitor did not issue a Notice of Revision or Disallowance such that such Pharmacist Franchisee’s Claim has been fully and

finally accepted in accordance with the Claims Procedure Order (a “**Pharmacist Franchisee with an Accepted Claim**”) shall not be included in the claim adjudication that is the subject of the Notice of Dispute and all references to “Pharmacist Franchisees” in this Order shall be deemed not to include any Pharmacist Franchisee with an Accepted Claim.

6. THIS COURT ORDERS AND DIRECTS that the Notice of Dispute is referred to the Honourable Dennis O’Connor (the “**Claims Officer**”) to determine the validity and amount of the Pharmacy Franchisee Claims under the Claims Procedure Order, as amended, with direction to implement a summary process for the resolution of each disputed claim by:

- (a) identifying and limiting to the extent possible the common issues in dispute;
- (b) implementing such procedures as may be agreed to by Pharmacist Representative Counsel and the Monitor, each acting reasonably, or as the Claims Officer, in his sole discretion, may find necessary or desirable, including, without limitation, procedures regarding:
 - (i) date and location of claims adjudication hearing;
 - (ii) participation by individual claimants, if any;
 - (iii) scope of expert witness mandate, if any; and
 - (iv) length and form of written argument.

7. THIS COURT ORDERS that the Pharmacy Franchisees, the Monitor, and the Applicants are the sole parties entitled to participate in the claims dispute that is the subject hereof.

8. THIS COURT ORDERS that any Pharmacy Franchisee who does not wish to be represented by the Pharmacy Representative Counsel, on the terms set on in this Order, must deliver a written Notice of Opt-Out substantially in the form attached hereto as Schedule “A” (the “**Opt-Out Notice**”), to the Monitor on or before March 25, 2016 at 4:00 pm eastern ~~standard~~  time, and, upon receipt of such Opt-Out Notice by the Monitor in accordance with its terms,

immediately thereafter Pharmacy Representative Counsel will not act on behalf of such claimants and it, she or he is not subject to paragraph 3 above. All Pharmacist Franchisees with an Accepted Claim shall be deemed to have provided an Opt-Out Notice.

9. THIS COURT ORDERS that on or before February 22, 2016, the Monitor:

- (a) will send this order and the Opt-Out Notice by email or regular post to the Pharmacy Franchisees to the addresses set out in the Proof of Claim forms filed; and
- (b) advise the Pharmacy Franchise Association of Canada to publish this order on its website at www.pfac.ca.

10. THIS COURT ORDERS AND DIRECTS the Monitor to report on the activities described in paragraphs 8 and 9 of this Order to the Court.

11. THIS COURT ORDERS that Pharmacist Representative Counsel and the Monitor shall be at liberty and are authorized at any time to apply to this Honourable Court for advice and direction in the discharge or variation of their powers and duties.


(Signature of Judge)

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



FEB 12 2016

SCHEDULE "A"
NOTICE OF OPT-OUT
OF PHARMACIST CLAIMS DISPUTE

1. **Claim Reference Number:** _____
2. **Target Store Number:** _____
3. **Amount allowed in Notice of Revision or Disallowance:** _____

4(a). Original Claimant (the "Claimant")

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

4(b). Assignee, if claim has been assigned

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

I opt out and accept my claim as set out in the Notice of Revision or Disallowance or as otherwise may be agreed to with the Monitor by March 25, 2016.

I/we hereby elect, on behalf of the above referenced claimant, to opt out of representation within the Target Canada Co. *et al* proceedings under the Companies' Creditors Arrangement Act ("CCAA") by Sutts Strosberg LLP in its capacity as Pharmacist Representative Counsel.

By opting out, I/we acknowledge and confirm that if the Claims Officer or the Court were to determine that the legal entitlements of pharmacists ought to be increased from the amount accepted by the Monitor as set out in the Notice of Revision or Disallowance I received, or as may otherwise be agreed to with the Monitor by March 25, 2016, I will not receive the benefit of any such increase, and I will not have the ability to dispute my claim, which is deemed accepted through my opt out.

I/we acknowledge that we have read the notifications and information set out in this notice and understand the implications of this election.

DATED this _____ day of _____, 2016.

Name of Claimant or
Authorized Representative:

Signature of Claimant or
Authorized Representative:

**THIS NOTICE AFFECTS YOUR LEGAL RIGHTS
PLEASE READ CAREFULLY**

This notice is provided to all former Target Canada pharmacist franchisees who filed Proofs of Claim with the Monitor in accordance with the Claims Procedure Order dated June 11, 2015 (as amended, the “**Claims Procedure Order**”) and who received a Notice of Revision or Disallowance issued by the Monitor.

On January 7, 2016, Sutts Strosberg LLP, in its capacity as representative counsel to all former Target pharmacists (“**Pharmacist Representative Counsel**”) filed a Notice of Dispute of Revision or Disallowance on behalf of all pharmacists with the Monitor (the “**Notice of Dispute**”).

On February 12, 2016, the Ontario Superior Court of Justice (Commercial List) issued an order (the “**February 12 Order**”), among other things:

1. Accepting the Notice of Dispute as a valid dispute for all pharmacists who received a Notice of Revision or Disallowance issued by the Monitor and who do not opt-out in accordance with this notice;
2. Directing that the Honourable Dennis O’Connor (a claims officer under the Claims Procedure Order) determine the matters in the Notice of Dispute (the “**Pharmacist Claims Dispute**”);
3. Approving a fee arrangement in respect of Pharmacist Representative Counsel, as set out below; and
4. Providing a mechanism for opting out of representation by Pharmacist Representative Counsel and the Pharmacist Claims Dispute.

Unless you opt out in accordance with this notice, your claim will be determined in the Pharmacist Claims Dispute and you will pay the fees set out in the February 12 Order, as described below.

Opting Out

DO NOTHING IF YOU WISH TO PARTICIPATE IN THE PHARMACIST CLAIMS DISPUTE.

If you do not wish to dispute your claim as set out in the Notice of Revision or Disallowance sent by the Monitor, and no longer wish to be represented by Pharmacist Representative Counsel in the Pharmacist Claims Dispute, you may opt out by completing the form included in this notice and returning it to the Monitor by no later than 4:00 PM EST on March 25, 2016 in the manner set out below.

Deemed Acceptance of Claim

If you elect to opt out by delivering the attached to the Monitor, you will be deemed to accept the amount set out in the Notice of Revision or Disallowance you received or, if the Monitor has issued a Revised Notice of Revision or Disallowance, as set out therein, and no further action will be required by you within these proceedings.

IMPORTANT

By opting out, you will not receive any additional benefit if the Claims Officer or the Court were to determine that the legal entitlements of pharmacists ought to be increased from the amounts accepted by the Monitor as set out in the Notices of Revision or Disallowance issued by the Monitor or agreed with the Monitor, and you will not have the ability to dispute your claim in these proceedings, which is deemed accepted through my opt out.

Fee Arrangement

The February 12 Order provides that, unless you elect to opt out, 10% of the total amount payable to you in respect of your claim will be paid over to Pharmacist Representative Counsel, plus an additional amount in respect of the reasonable disbursements of Pharmacist Representative Counsel (including the fees of any experts and advisors retained in connection with the Pharmacist Claims Dispute).

The 10% plus disbursements fee is payable to Pharmacist Representative Counsel in any event no matter the outcome of the Pharmacist Claims Dispute, including where your claim does not increase from the amount set out in the Notice of Revision or Disallowance you received.

Financial Consequences to You

If the Pharmacist Claims Dispute is successful, the Claims Officer may find that pharmacist Claimants are entitled to an amount above that set out in the Notices of Revision or Disallowance issued. In this event, the amount determined by the Claims Officer shall be the allowed amount for your claim within the Claims Process.

If the Pharmacist Claims Dispute is not successful, the Claims Officer may find that pharmacist Claimants are entitled to an amount equal to or less than that set out in the Notices of Revision or Disallowance issued.

Whether or not the Pharmacist Claims Dispute is successful, unless you elect to opt out, you will be responsible for the costs incurred by Pharmacist Representative Counsel in connection with the Pharmacist Claims Dispute, as set out in the Fee Arrangement section, above. In this case, a deduction will be made from the amount otherwise payable to you as a distribution from the estate of the Target Canada Entities and will be paid over to Pharmacist Representative Counsel as payment for fees and disbursements.

Delivery of Opt Out Notice

If you elect to opt out of the Pharmacist Claims Dispute and accept your claim as set out in the Notice of Revision or Disallowance, you must submit the opt out form attached hereto to the Monitor at the address below by no later than 4:00 PM EST on March 25, 2016. Email submission preferred.

Alvarez & Marsal Canada Inc., Target Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1
Attention: Greg Karpel
Email: targetcanadaclaims@alvarezandmarsal.com
Fax No.: 416-847-5201

For more information see www.alvarezandmarsal.com/targetcanada, or contact the Monitor
by telephone (1-844-864-9548)

What is a Claims Officer?

A claims officer is commonly used in CCAA proceedings to adjudicate claims disputes outside of a formal court process in an efficient, expeditious, and cost-effective manner. Claims officers are able to efficiently and effectively resolve claims disputes by working with parties to (i) limit the number of issues in dispute, and (ii) determine the appropriate procedures required for a fair and expeditious resolution.

In this case, the Honourable Dennis O'Connor is a retired judge with extensive experience in resolving disputed matters and CCAA claims hearings.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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PHARMACIST REPRESENTATIVE COUNSEL
and PHARMACY FRANCHISEE
ASSOCIATION OF CANADA, Moving Parties.

File number: 38.138.000