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

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

Applicants

MOTION RECORD
(Re: Stay Extension)
(Returnable October 20, 2025)

October 15, 2025

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Lawyers for the Applicants

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Applicants

INDEX

TAB	DESCRIPTION
1.	Notice of Motion dated October 15, 2025
2.	Affidavit of Franco Perugini sworn October 15, 2025
3.	Draft Stay Extension Order

TAB 1

Court File No. CV-25-00738613-00CL

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

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Applicants

NOTICE OF MOTION
(Re: Stay Extension)
(Returnable October 20, 2025)

1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) (the "**Company**"), 1241423 B.C. Ltd., 1330096 B.C. Ltd., 1330094 B.C. Ltd., 1330092 B.C. Unlimited Liability Company, 1329608 B.C. Unlimited Liability Company, 2475263 Ontario Inc., 2745270 Ontario Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") will make a Motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) on October 20, 2025, at 10:00 a.m., or as soon after that time as the Motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1);
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☒ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location: 330 University Avenue, Toronto Ontario and via Zoom.

THE MOTION IS FOR:[1]

1. An order substantially in the form attached to Tab 3 of the Motion Record, extending the Stay Period until and including December 12, 2025.

2. Such further relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. The Company and its subsidiaries collectively operated as a premier North American department store retailer with a portfolio of real estate assets in Canada. Unable to successfully restructure their operations, or secure replacement financing or investment outside of formal insolvency proceedings, the Applicants sought and were granted protection under the CCAA by the Court on March 7, 2025, pursuant to an order which, among other things, appointed Alvarez & Marsal Canada Inc. as Monitor of the Applicants in these proceedings.

2. At the hearing of the Comeback Motion on March 21, 2025, the Applicants sought and obtained: (a) the ARIO which, among other things, extended the Stay Period until and including May 15, 2025; (b) the SISP Order which, among other things, approved the SISP and authorized the Applicants and Reflect to conduct the SISP under the supervision of the Monitor (which was amended on April 24, 2025, to remove the Company's Art Collection and Charter from the Property available for sale pursuant to the SISP; (c) the Liquidation Sale Approval Order which, among other things, authorized the Applicants to commence the Liquidation Sale at all but six of the Company's 96 stores across Canada; and (d) the Lease Monetization Order which, among other things, authorized the Applicants and the Broker to conduct the Lease Monetization Process to market Hudson's Bay Canada's Leases under the supervision of the Monitor.

3. The Liquidation Sale, the SISP and the Lease Monetization are complete. The Liquidation Sale concluded with all Stores being closed to the public by June 1, 2025. The SISP and the Lease Monetization Process have resulted in various Court-approved transactions for the benefit of the Applicants and their stakeholders, and the Central Walk Transaction, the approval of which is under consideration by the Court.

[1] Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Affidavit of Franco Perugini sworn October 15, 2025.

4. On September 25, 2025, the Applicants sought and obtained an Order approving the Art Collection Auction Procedures pursuant to which the Auctioneer will conduct the Art Collection Auction in accordance with the Art Collection Auction Procedures and vest the individual Lots constituting the Art Collection in the Buyers at the Art Collection Auction free and clear of all claims and encumbrances.

5. The motion to approve the Charter Auction Process is currently scheduled to be heard on October 20, 2025.

Stay Extension

6. As the current Stay Period expires on October 31, 2025, the Applicants are seeking to extend the Stay Period until and including December 12, 2025.

7. The extension to the Stay Period will permit the Applicants to, among other things, respond to the outcome of the Applicants' motion seeking approval of the Central Walk Transaction and assignment of 25 Leases, complete applicable FF&E removal, conduct the Art Collection Auction and the Charter Auction Process, attend to Hardship Fund and Pension surplus matters as applicable, complete WEPPA matters, finalize shared services arrangements, in order to maximize the value of their remaining assets for the benefit of their stakeholders, and advance the winddown of the Applicants.

8. The Applicants have acted, and continue to act, in good faith and with due diligence during the course of the CCAA Proceedings.

9. The Sixth Cash Flow prepared by the Applicants and reviewed by the Monitor demonstrates that the Applicants have sufficient liquidity to operate through the proposed Stay Period.

10. The Applicants' stakeholders will benefit from the extension of the Stay Period.

Other Grounds

11. Sections 11 and 11.3 of the CCAA and the inherent and equitable jurisdiction of this Court;

12. Rules 1.04, 2.03, 3.02, 16, 37, and 39 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

13. Such further and other grounds as counsel may advise and this Court may permit.

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

14. The Affidavit of Franco Perugini sworn October 15, 2025;

15. The Ninth Report of the Monitor, to be filed; and

16. Such further and other evidence as counsel may advise and this Court may permit.

October 15, 2025

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Counsel for the Applicants

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

Court File No. CV-25-00738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable October 20, 2025)

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Lawyers for the Applicants

TAB 2

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Court File No. CV-25-00738613-00CL

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

Applicants

AFFIDAVIT OF FRANCO PERUGINI
(Sworn October 15, 2025)

I, Franco Perugini, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Senior Vice President, Real Estate & Legal of 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) (the "**Company**"), and certain other Applicants.[1]

2. I, together with other members of management, have been responsible for overseeing the Applicants' restructuring efforts. As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records, press releases, and public filings of the Company and have spoken with certain of the directors, officers and/or employees of the Company, as necessary, together with the Monitor and Reflect. Where I have relied upon such information, I believe such information to be true. The Applicants do not, and do not intend to, waive privilege by any statement herein.

3. All capitalized terms used in this affidavit and not otherwise defined have the meanings given to them in the affidavit I swore on July 25, 2025 (the "**First Perugini Affidavit**"), the

[1] The Court-authorized name changes of the Applicants are attached as Exhibit "A" to the affidavit of Franco Perugini sworn August 12, 2025, which became effective as of August 12, 2025.

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

affidavits of Adam Zalev sworn September 19, 2025 in connection with the Charter and the Art Collection Auction, and the affidavit of Michael Culhane sworn on July 13, 2025 (the "**Third Culhane Affidavit**").

4. I swear this affidavit in support of a motion by the Applicants for the issuance of an order (the "**Stay Extension Order**"), among other things, extending the Stay Period until and including December 12, 2025.

5. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise indicated.

I. BACKGROUND

6. The Company and its subsidiaries collectively operated as a premier North American department store retailer with a portfolio of real estate assets in Canada.

7. The Applicants suffered severe liquidity issues due to, among other things, the evolving retail landscape, deteriorating brick-and-mortar retail environment, a decline in foot traffic at its stores, including as a result of the COVID 19 pandemic, and ongoing trade tensions with the United States, including the threat of tariffs, retaliatory tariffs, and newly imposed tariffs.

8. Unable to successfully restructure their operations, or secure replacement financing or investment outside of formal insolvency proceedings, the Applicants sought and were granted protection under the CCAA by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on March 7, 2025, pursuant to an order which, among other things, appointed Alvarez & Marsal Canada Inc. as monitor of the Applicants in these proceedings (in such capacity, the "**Monitor**").

9. At the hearing of the Comeback Motion (which, following certain adjournments, was heard on March 21, 2025), the Applicants sought and obtained: (a) the ARIO which, among other things, approved Reflect's engagement as financial advisor to the Company; (b) the SISP Order which, among other things, approved the SISP and authorized the Applicants and Reflect to conduct the SISP under the supervision of the Monitor (which was amended pursuant to an Order granted on April 24, 2025, to remove the Company's Art Collection and Charter from the Property available for sale pursuant to the SISP); (c) the Liquidation Sale Approval Order which, among other things, authorized the Applicants to commence the Liquidation Sale at all but six of the Company's 96 stores across Canada; and (d) the Lease Monetization Order which, among other things: (i)

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approved the agreement entered into between the Company and Oberfeld Snowcap Inc. ("**Oberfeld**"), pursuant to which Oberfeld was engaged to act as the Broker responsible for assisting in the marketing of Leases; and (ii) authorized the Applicants and Oberfeld to conduct the Lease Monetization Process to market Hudson's Bay Canada's Leases under the supervision of the Monitor.

10. On September 25, 2025, the Court granted the Art Auction Process Order which, among other things, approved the Art Collection Auction Procedures, authorized the Auctioneer to conduct the Art Collection Auction, and approved the individual Lots constituting the Art Collection to be vested in the Buyers emerging from the Art Collection Auction, free and clear of all claims and encumbrances.

11. As the current Stay Period expires on October 31, 2025, the Applicants are seeking to extend the Stay Period until and including December 12, 2025. As set out below, the Applicants have acted in good faith and with due diligence since the most recent Order of the Court extending the Stay Period. The extension to the Stay Period will permit the Applicants to, among other things, respond to the outcome of the Applicants' motion seeking approval of the Central Walk Transaction and assignment of 25 Leases, complete applicable FF&E removal, conduct the Art Collection Auction and the Charter Auction Process, attend to Hardship Fund and Pension surplus matters as applicable, complete WEPPA matters, finalize shared services arrangements, in order to maximize the value of their remaining assets for the benefit of their stakeholders and advance the winddown of the Applicants.

II. UPDATE ON THE APPLICANTS' ACTIVITIES

12. Since the granting of the Stay Extension & Distribution Order on July 31, 2025, which extended the Stay Period until and including October 31, 2025, the Applicants, in consultation with, and with the assistance of the Monitor and their respective advisors, have continued to diligently pursue various efforts within the CCAA Proceedings to maximize the value of their assets for the benefit of their stakeholders and have addressed a variety of issues affecting the Applicants. A summary of these activities is set out below.

A. Liquidation Sale Update

13. On March 21, 2025, the Court granted the Liquidation Sale Approval Order which authorized the Applicants to commence the Liquidation Sale on March 24, 2025, at all but six of

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

the Company's 96 Stores across Canada. The six excluded Stores were included in the Liquidation Sale commencing April 24, 2025.

14. As described in the Third Culhane Affidavit and the First Perugini Affidavit, the Liquidation Sale concluded, and all Stores were closed to the public by June 1, 2025. Notwithstanding the Stores' operations being discontinued as of that date, material amounts of FF&E remained at various Store locations due to the unanticipated abandonment of the unsold FF&E by the Liquidator.[2] Since completion of the Liquidation Sale the Company and Reflect, under the oversight of the Monitor, have been coordinating removal of the FF&E directly, and in consultation with the Landlords. These efforts have continued since the most recent stay extension of the Stay Period on July 31, 2025.

15. The Company, with the assistance of Reflect, held daily meetings (until October 1, currently meetings are held three times a week) to address the coordination and implementation of FF&E removal. These efforts include: (a) obtaining a range of quotes from contractors assisting with removal, selecting contractors, and coordinating FF&E removal; (b) where possible, entering into arrangements with commercial bulk buyers to purchase and/or remove the FF&E for no consideration, or at no cost, to the Company; and (c) continuing to engage in discussions with Landlords to coordinate FF&E removal. In some cases, Landlords have assumed unsold FF&E for future tenant use or otherwise, which resulted in savings to the Company and reduced costs associated with removal.

16. In addition, the Company and its advisors have coordinated with the Receiver of the JV Entities, FTI Consulting Canada Inc. ("**FTI**"), with respect to the removal of FF&E from the JV locations.

17. At this time, FF&E removal is complete at all except four of the Stores that are not the subject of the Central Walk Transaction. With respect to these four Stores: (a) removal of the FF&E is nearing completion at one Store; (b) the freight elevators at another Store require repair before FF&E removal can take place; (c) the Company has been unable to arrive at terms with the Landlord of another Store to permit re-entry onto the site; and (d) the Receiver has engaged a third party contractor to remove the FF&E at the fourth Store at no cost to the Company.

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[2] The FILO Agent disputes this characterization.

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

(i) Signage Removal

18. Removal of the external signage at the Company's and the Riocan JV's Stores (other than those that are the subject of the Central Walk Transaction), was paused following receipt of a demand from the FILO Agent that the Company not incur any further costs associated with signage removal.

19. As of the date hereof, signage has either been fully removed or is no longer the Company's obligation to remove at a total of 15 Stores. At these locations, the Company has either completed all required signage removal work or the responsibility for such removal was transferred to the assignees of the leased premises or to the Landlords.

20. The issue of signage removal was raised in the motions before the Court on August 28 and 29. The Company anticipates that further discussions will be required with the Landlords and the FILO Agent (and other secured lenders) regarding the issue of signage removal. The Company and the Monitor will seek to engage in these discussions directly. Updated estimates on signage removal have been obtained and will be shared with the FILO Agent and Pathlight. If consensual arrangements are not reached, the Company and the Monitor may require the Court's assistance on the signage removal matters.

B. SISP Update

21. On March 21, 2025, the Court granted the SISP Order which, among other things, approved the SISP and authorized the Applicants and Reflect to conduct the SISP under the Monitor's supervision. Following a review of the bids (in consultation with the Monitor, Reflect, and certain secured lenders), the Applicants declared Canadian Tire's bid to be the Successful Bid in respect of most of the Company's intellectual property portfolio.

22. On June 3, 2025, the Court approved the Canadian Tire APA, resulting in substantially all of the Applicants' intellectual property and brand assets vesting in Canadian Tire. The Canadian Tire transaction closed on June 25, 2025.

23. Pursuant to the Canadian Tire APA, within 45 days following closing, the Applicants were required to execute the necessary documents to effect name changes which are dissimilar to, and cannot be confused with "Hudson's Bay Company", "Hudson's Bay", or "HBC" (along with all variations thereof).

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

24. On June 23, 2025, the Court authorized the Applicants and Non-Applicant Stay Parties to change their respective legal and business names and revise the CCAA Proceedings' title accordingly. The revised legal names became effective on August 12, 2025, as reflected in the updated style of cause.

25. In light of the issue of signage removal described above, the Applicants and Reflect have worked in a coordinated manner with Canadian Tire to seek and obtain extensions in respect of the signage removal timelines under the Canadian Tire APA. The Company and Reflect will continue to proactively address this matter with Canadian Tire as required.

C. Update on Art Collection Auction

26. On April 24, 2025, the Court granted the Amended and Restated SISP Order ("**A&R SISP Order**"), which among other things removed the Company's Art Collection from the Property available for sale pursuant to the SISP and approved the Heffel Engagement Letter with Heffel Gallery Limited (the "**Auctioneer**" or "**Heffel**").

27. Reflect and Heffel have collaborated closely to develop the comprehensive Art Collection Auction Procedures in consultation with the Monitor, the FILO Agent, and Pathlight.

28. On September 3, 2025, pursuant to the A&R SISP, Reflect wrote to the Art Service List advising that the Art Collection Auction Procedures had been developed, and were available to be reviewed by Interested Parties. To the extent any Interested Parties wished to provide feedback or had any inquiries regarding same, they were asked to contact Reflect or the Monitor by no later than September 16, 2025, after which the Company would finalize the proposed Art Collection Auction Procedures and seek Court approval of same. Reflect, the Company and the Monitor did not receive any material feedback in respect of the draft Art Collection Auction Procedures.

29. On September 25, 2025, the Applicants sought and obtained an Order approving the Art Collection Auction Procedures pursuant to which the Auctioneer will conduct the Art Collection Auction in accordance with the Art Collection Auction Procedures and vest the individual Lots constituting the Art Collection in the Buyers at the Art Collection Auction free and clear of all claims and encumbrances.

30. The Art Collection Auction is proposed to commence online on November 12, 2025, and live, in-person at the Auction House, Heffel Gallery Limited in Toronto, on November 19, 2025.

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

The catalogue and press release for the live auction were made available on the Heffel website as of October 9, 2025, with printed copies distributed as part of the Auctioneer's marketing process. In-person viewings of the Art Collection to be auctioned live are scheduled to occur at Heffel Gallery Limited from November 11, 2025, through November 18, 2025. With respect to the online auction, individual Lots will be photographed and uploaded to the auction platform in batches, with the initial batch anticipated to go live on November 12, 2025.

D. Update on the Charter Auction

31. On July 26, 2025, the Applicants withdrew the Charter from the Art Collection Auction to pursue an offer from Wittington Investments Limited, a private Canadian holding company under the control of the Weston family, pursuant to which Wittington committed to immediately donate the Charter to the Canadian Museum of History, located in Gatineau, Quebec.

32. The Court scheduled a motion for approval of the Wittington Offer for September 9, 2025. Pursuant to an endorsement dated July 31, 2025, the Court directed that all responding materials, including but not limited to materials of any party wishing to oppose the motion, were to be served and filed no later than August 21, 2025.

33. On August 21, 2025, the Company received the Responding Motion Record of DKRT Family Corp. ("**DKRT**"), the personal family holding company of David K. R. Thomson. As part of its responding materials, DKRT, among other things, indicated that it was interested in bidding for the Charter in a competitive auction and would pay a minimum of $15 million and donate the Charter to the Archives of Manitoba.

34. Reflect also received additional indications of interest from other parties interested in acquiring the Charter and donating it to other Canadian public institutions both before and after the August 21 deadline.

35. As a result of the foregoing, and after receiving a binding commitment letter dated September 9, 2025, from DKRT wherein, among other things, DKRT committed to bid at least $15 million for the Charter in any Court-approved process, the Applicants, in consultation with the Monitor, Reflect, the FILO Lenders and Pathlight, determined that a competitive focused auction process with certain restrictions on participation was most appropriate in the circumstances. Accordingly, a motion to approve an auction process was scheduled for September 29, 2025.

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

36. In preparation for the approval of the Charter Auction, the Company, in consultation with Reflect, the Monitor, the FILO Lenders and Pathlight, developed the Charter Auction Process, with the aim of safeguarding the Charter's historical significance and ensuring its future preservation for Canadians while maximizing value for the benefit of the Applicants' estate.

37. During the late evening of Sunday, September 28, 2025, on the day immediately prior to the return of the Charter Auction Process motion, the Applicants received an unsolicited proposal concerning the Charter. In light of these developments, the Applicants requested that the motion be adjourned in order to assess appropriate next steps. The Charter Auction Process motion is currently scheduled to be heard on October 20, 2025.

E. Lease Monetization Update

(i) Central Walk Approval Motion

38. On May 23, 2025, the Company entered into an asset purchase agreement between the Company and HBC Centrepoint GP Inc., as vendors, Ruby Liu Commercial Investment Corp. ("**Central Walk**"), as purchaser, and Ms. Liu, as guarantor (as amended on June 13, 2025, July 21, 2025, and July 29, 2025, and from time to time thereafter, the "**Central Walk APA**") for the assignment of up to 25 leases (the "**CW Leases**") to Central Walk. If approved, the CW transactions are expected to yield, among other benefits, substantial recoveries exceeding $50 million for the Applicants' creditors and additional consideration of approximately $680,000 from the sale of FF&E (along with the avoidance of incurring significant FF&E removal costs that would be incurred if the CW Leases were otherwise disclaimed).

39. The assignment of the CW Leases under the Central Walk APA is conditional upon, among other terms and conditions outlined in the Central Walk APA, satisfactory receipt of applicable Landlord consents and/or approval of the Court.

40. Landlords under 24 out of the 25 CW Leases (the "**Objecting Landlords**") opposed the assignment of their respective CW Leases. As such, the Applicants brought a motion before the Court on August 28 and 29, 2025 (the "**Central Walk Approval Motion**"), seeking approval of the Central Walk APA, as well as an order authorizing the assignment of the CW Leases to Central Walk pursuant to the proposed CW Leases Assignment Order. The Central Walk Approval Motion was opposed by the Objecting Landlords.

41. As of the date of this affidavit, the Court has not rendered its decision on that motion.

Docusign Envelope ID: D62C95D8-0573-4876-9A8E-9209F48C8BC0

(ii) Other Lease Assignments and Disclaimers

42. The Lease Monetization Process also resulted in the following two transactions since the most recent extension of the Stay Period on July 31, 2025:

(a) five Leases were assigned to YM for an aggregate purchase price of $5,025,000 on August 8, 2025; and

(b) one Lease with respect to a location owned by IC was assigned to IC for an aggregate purchase price of $20,000 on August 1, 2025.

43. As noted in the earlier affidavits, a total of 64 Lease disclaimers have been issued during the CCAA Proceedings. On or about September 10, 2025, two additional disclaimers were issued in respect of Riocan JV store locations, with two additional locations being subject to surrender agreements with Cadillac Fairview, as further described herein.

F. FILO Motion

44. On July 8, 2025, Restore Capital, LLC, in its capacity as the agent on behalf of various first in, last out lenders (in such capacity, the "**FILO Agent**"), served a motion record returnable July 15, 2025, seeking among other things: (a) an order authorizing and directing the Monitor to cause the Company to terminate the Central Walk APA; (b) expanding the powers of the Monitor to allow the Monitor to conduct the affairs and operations of the Applicants for the benefit of all their stakeholders; and (c) authorizing and directing the Monitor to cause the Company to immediately disclaim all of its remaining Leases subject to the Central Walk APA for which a transaction has not closed and that are not subject to any other potential transactions (the "**FILO Motion**").

45. The FILO Motion was adjourned at the July 15 hearing, and a timetable was subsequently set by the Court to hear both the FILO Motion and the Applicants' motion to be filed seeking approval of the Central Walk APA and the transactions contemplated therein concurrently on August 28 and August 29, 2025.

46. On July 25, 2025, the FILO Agent served an amended notice of motion, amending the relief sought by the FILO Agent to, among other things: (a) take no position as to whether or not the Central Walk APA was approved by the Court; (b) amend paragraph 10 of the ARIO to eliminate the requirement that the Applicants pay any rent on any remaining leases and direct

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that no rent on account of the remaining leases be paid from any ABL priority collateral; (c) require that if the Central Walk APA is terminated or not approved, that Central Walk reimburse to the Applicants any Central Walk costs incurred from and after July 15, 2025; and (d) require, as a condition of any approval or implementation of the Central Walk Transaction, that a portion of any proceeds from the Central Walk APA equivalent to the Central Walk costs incurred from and after July 15, 2025 be deemed to be ABL priority collateral. The FILO Agent brought their amended motion before the Court during the August 28 and 29, hearing, with the Applicants, and two of the Applicants' secured lenders, namely Pathlight, and Cadillac, opposing certain of the relief sought therein.

47. As of the date of this affidavit, the Court has not rendered its decision on that motion.

48. The Applicants expended significant resources during the current stay extension period in order to address the contested Central Walk Approval Motion and the FILO Motion, including (a) conducting and defending cross-examinations; (b) attending case conferences; (c) submitting responding materials to the Objecting Landlords and the FILO Agent; (d) preparing undertakings, advisements, and refusals on behalf of their respective affiants; (e) engaging in discussions with Landlords, certain secured creditors and counsel to Central Walk with respect to the Central Walk APA; and (f) preparing for and attending the hearing on August 28 and 29, 2025.

G. Riocan JV Receivership

49. On June 3, 2025, FTI was appointed Receiver in respect of the JV Entities of 12 store locations. Despite the appointment of FTI as Receiver, the Company continued to have ongoing involvement with various locations, including in respect of FF&E removal efforts.

50. At the request of RioCan, the Company did not disclaim the lease arrangements at five RioCan JV locations. However, the Receiver was responsible for all ongoing costs in respect of these locations.

51. The Company and its advisors have sought and received ongoing updates in respect of the sales efforts and status of the Riocan JV locations that are subject to the Receivership Proceedings. Following receipt of the Receiver's update that it had completed its sale efforts in respect of various locations and had issued rejection notices with respect to the head leases at Scarborough Town Centre and Square One, the Company issued Lease disclaimers with respect to the subleases at these locations on September 10, 2025.

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52. The Company was advised by the Receiver that it had negotiated terms of a surrender agreement of two further locations, Laval and St. Bruno, to the Landlord, Cadillac Fairview. As title to these locations were held in a nominee structure, it was necessary for the Company and its advisors to participate in the discussions and documentation of the two lease surrender arrangements. Approval of the final documentation was sought in both the Receivership Proceedings and the CCAA Proceedings (as the nominee entities, 2472596 Ontario Inc. and 2472598 Ontario Inc. are CCAA Applicants). Copies of the Order approving the surrender agreements, issued on September 26, 2025, and the Receiver's Certificate certifying the closing of these surrenders, can be found on the Receiver's website at:

https://cfcanada.fticonsulting.com/RioCanHBCJV/courtOrders.htm

53. The Company was advised by the Receiver that a third location, Yorkdale Mall, is the subject of a potential transaction. I am advised by Ms. Pillon that a case conference was held on October 14, 2025, within the Receivership Proceedings, to set the date for a contested hearing between the Receiver and the Landlord of Yorkdale Mall, for a hearing in Fall 2025. The Company does not anticipate having to actively participate in this hearing. The Company expects that pending the determination of this hearing, the lease arrangements relating to this location and the Company will remain in place.

H. Update Regarding Employee Matters

(i) WEPPA Update

54. On June 3, 2025, the Applicants sought and obtained the WEPPA Declaration Order, effective June 21, 2025, in respect of employees terminated during the CCAA Proceedings.

55. The Applicants and their counsel worked closely with the Monitor, Ursel Phillips Fellows Hopkinson LLP, in its capacity as Court-appointed representative counsel for certain employees (the "**ERC**"), and Service Canada to facilitate the implementation of the Wage Earner Protection Program ("**WEPP**") claims process and to ensure employees are able to access their entitlements in an efficient and timely manner.

56. I have been informed by Mr. Greg Karpel of the Monitor that the Monitor and the ERC prepared an information package (the "**Information Package**") for former employees with the information necessary to submit their WEPP application to Service Canada. Each Information Package contained a formal WEPP notice, a frequently asked questions document, a proof of

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claim form, and an individualized claim summary of eligible claims owing to the applicable employee (which estimates were prepared by the Monitor with the assistance of the Company). As of July 29, 2025, the Information Packages were finalized and approximately 8,500 packages were mailed to all eligible former employees of the Company.

57. I am informed by Mr. Karpel that before Service Canada can process an employee's application, the Monitor must prepare and submit a Trustee Information Form ("**TIF**") for each employee. I am informed by Mr Karpel that as of September 30, 2025, substantially all TIFs (approximately 8,500), had been submitted by the Monitor to Service Canada.

58. I am also informed by Mr. Karpel, that Service Canada has advised the Monitor that as of October 8, 2025, approximately 4,200 WEPP applications have been submitted by former employees to Service Canada and of those submitted, Service Canada has processed approximately 1,080 applications.

59. I have been informed by Mr. Karpel that the Monitor has held regular discussions with both the ERC and Service Canada with respect to the WEPP materials being provided to employees, and the timing of the WEPP process. As part of these discussions, Service Canada has granted the Monitor an extension to submit all TIFs from September 30, 2025, to October 31, 2025. Accordingly, employees now have until December 26, 2025, to submit their applications to Service Canada, which represents 56 days from October 31, 2025.

60. Further information regarding applications for WEPP can be found on the ERC's website at: https://upfhlaw.ca/hbcemployees/ and the Monitor's website at: https://www.alvarezandmarsal.com/HudsonsBay

(ii) Hardship Funds

61. As noted in earlier affidavits, the Applicants and the ERC have been in discussions regarding the potential implementation of hardship funds to assist certain of the Company's former employees. The Company and its counsel have been working with the ERC and others in this regard.

62. At the request of the ERC, and with the consent of the Monitor, the FILO Agent, and Pathlight, on or about June 10, 2025, the Company extended the payment of LTD benefits to affected employees and former employees until July 15, 2025, in order to facilitate further diligence and negotiation toward the potential establishment of hardship funds. The LTD benefits

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were further extended, with the consent of certain of the Applicants' secured lenders, through to November 15, 2025, to permit further negotiations.

63. I am advised by Ms. Pillon that the ERC has been continuing direct discussions with the FILO Lenders and Pathlight in respect of the potential of implementing the Hardship Funds. The Company has been kept apprised of these discussions and is working with the ERC, the FILO Agent, and Pathlight on implementation steps with respect to this issue.

(iii) Pension Surplus

64. As noted in earlier affidavits, an independent pension administrator, Telus Health (Canada) Ltd. was appointed by the Financial Services Regulatory Authority of Ontario ("**FSRA**") in respect of the Company's Pension Plan (the "**Pension Administrator**") effective April 3, 2025. The Company continues to work with the Pension Administrator in respect of the transition of the administration of the Pension Plan, including responding to various information requests by the Pension Administrator.

65. On September 8, 2025, FSRA issued a Notice of Intended Decision (the "**NOID**") to wind-up the Pension Plan effective September 1, 2025. The NOID set out a 30 day period for interested parties to request a hearing respecting the proposed Pension Plan wind-up effective date. After a wind-up order is issued by FSRA, the Pension Administrator will communicate this information to persons who have entitlements under the Pension Plan. The Company will work with the Pension Administrator and the ERC to provide additional information to former employees and retirees in respect of the wind up date.

66. As noted in earlier affidavits, the Company anticipates a process will be required in order to determine the parties' interests in the Pension surplus. It is contemplated that this process will involve the appointment of Representative Counsel for persons with entitlements to benefits under the Pension Plan, as well as direction of the Court in respect of a potential mediation process under the Court's supervision.

67. I am advised by Ms. Pillon that the Company has been in consultation with the Monitor, the FILO Lenders, Pathlight, and the Pension Administrator in respect of these matters.

68. I am further advised by Ms. Pillon that the Applicants have been using the time during this last stay extension to identify, organize, and provide to the Pension Administrator, the FILO

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Lenders, Pathlight, and Cadillac Fairview, historical Pension Plan documentation (dating back to 1961), which information should be relevant to future Pension surplus discussions.

I. Other Activities

69. In addition to the activities of the Applicants described above, since the granting of the last order extending the Stay Period, the Applicants have also, among other things:

(a) continued their efforts to review non-Lease contracts to determine which should be disclaimed, and issued several disclaimers in connection therewith;

(b) continued discussions with Saks Global in respect of cost allocations for shared services, preparing a shared services protocol to address shared services and data retention matters for the wind-up of the CCAA Proceedings, and executed assignments of specific contracts related to these services;

(c) formulated the procedures governing the auction of the Art Collection and the Charter, initiated the Art Collection Auction, and conducted multiple consultations with the Auctioneer, Interested Parties and various stakeholders concerning both the Art Collection Auction Procedures and the Charter Auction Process.

(d) coordinated ongoing efforts with respect to the potential sale and removal of remaining FF&E, including discussions with landlords re same;

(e) continued their efforts to monetize remaining redundant assets, including the sale of the Zellers intellectual property;

(f) worked with the ERC with respect to numerous information requests and issues relating to employee matters;

(g) worked with the Receiver appointed over the JV Entities on transaction activities;

(h) engaged in various discussions with the Pension Administrator, and responded to, among other things, information requests;

(i) engaged in discussions regarding the Pension surplus;

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(j) responded to creditor and stakeholder enquiries regarding these CCAA Proceedings; and

(k) engaged in numerous communications with secured lenders and their advisors in respect of the Company's cash flows, and the CCAA Proceedings generally.

III. RELIEF SOUGHT

A. Stay Extension

70. The Applicants are seeking to extend the Stay Period from October 31, 2025, to and including December 12, 2025. The extension of the Stay Period is necessary and appropriate in the circumstances to allow the Applicants to, among other things:

(a) respond to the outcome of the Applicants' motion seeking approval of the Central Walk Transaction and assignment of 25 Leases;

(b) conduct the Art Collection Auction;

(c) conduct the Charter Auction Process (if approved by this Court) and seek approval of the transaction contemplated thereunder;

(d) complete removal and/or sale of FF&E and signage remaining at Stores;

(e) complete WEPPA matters;

(f) assist the ERC with respect to developing and implementing the Hardship Funds and attend a motion with respect to the Hardship Funds;

(g) pursue Pension surplus matters in consultation with the Monitor, the FILO Agent, Pathlight, Cadillac Fairview, and the Pension Administrator in anticipation of a Pension surplus process proposal in the near term;

(h) finalize Shared Services arrangements;

(i) complete donation arrangements with the Archives of Manitoba;

(j) complete various CCAA administrative matters, including document and data retention matters; and

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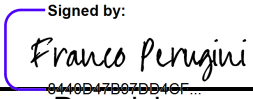
(k) continue to advance the maximization of the value of their estate for the benefit of their stakeholders and winding up the Applicants.

71. As described above, the Applicants have acted and are continuing to act in good faith and with due diligence in these CCAA Proceedings. I understand that the Monitor will be filing an updated cash flow statement prepared by the Applicants and reviewed by the Monitor (the "**Sixth Cash Flow**") with its tenth Report, and that the Sixth Cash Flow will demonstrate that the Applicants have sufficient liquidity to operate through the proposed extension to the Stay Period.

72. I do not believe that the proposed extension of the Stay Period will materially prejudice any of the Applicants' stakeholders. Further, I understand that the Monitor supports the proposed extension of the Stay Period and will be providing further details with respect to the appropriateness of the requested extension of the Stay Period in its tenth Report.

73. For the reasons set out above, I believe that it is in the best interests of the Applicants and their stakeholders that this Court grant the relief requested in accordance with the terms of the Stay Extension Order.

74. I swear this affidavit in support of the Applicants' motion seeking approval of the proposed order and for no other or improper purpose.

SWORN remotely via videoconference, by Franco Perugini, stated as being located in the City of Toronto, in the Province of Ontario before me at the City of Toronto, in Province of Ontario, this 15th day of October, 2025, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.	
DocuSigned by:  3612A04218DD47C...	Signed by:  8449B47B07BD4CF...
Commissioner for Taking Affidavits, etc. Philip Yang | LSO #82084O	Franco Perugini

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF FRANCO PERUGINI
(Sworn October 15, 2025)

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Lawyers for the Applicants

TAB 3

Court File No. CV-25-00738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	MONDAY, THE 20TH DAY
	)	
JUSTICE OSBORNE	)	OF OCTOBER, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.

ORDER
(Stay Extension)

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

ON READING the Applicant's Notice of Motion dated October 15, 2025, the affidavit of Franco Perugini sworn October 15, 2025 (the "**Fourth Perugini Affidavit**"), the Ninth Report of Alvarez & Marsal Canada Inc., dated October **[●]**, 2025, in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), and the appendices attached thereto, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of Philip Yang sworn October 16, 2025,

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used within this Order and not expressly defined herein shall have the meanings set forth in the Fourth Perugini Affidavit or the Amended and Restated Initial Order dated March 21, 2025.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is hereby extended until December 12, 2025, or such later date as this Court may order.

GENERAL

4. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder.

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

6. **THIS COURT ORDERS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order, to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof.

_____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

STAY EXTENSION ORDER

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD
(Retunable October 20, 2025)

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