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

EIGHTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

SEPTEMBER 18, 2026

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1.0 INTRODUCTION

1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) ("**Hudson's Bay**" or the "**Company**"), and the other applicants listed on **Schedule "A"** hereto (together, the "**Applicants**"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule "A"** hereto (together with HBC Holdings LP, the "**Non-Applicant Stay Parties**"). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as "**Hudson's Bay Canada**".[1] In accordance with an Order granted by the Court on June 23, 2025, certain Hudson's Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson's Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule "B"** hereto.

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**"). On July 27, 2026, the Monitor was authorized and

[1] The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms "Applicants", "Non-Applicant Stay Parties" and "Hudson's Bay Canada" as used in this Report refer to the applicable entities at the relevant times.

empowered to exercise various enhanced powers over the Applicants pursuant to the terms of an Order granted on that date.

1.3 Since the Initial Order was granted, the Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. This Report (the "**Eighteenth Report**") does not contain a detailed chronology of these proceedings or the various relief granted. Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor (the "**Prior Reports**") and all endorsements and orders made by the Court, are available on the Monitor's case website at: www.alvarezandmarsal.com/HudsonsBay (the "**Case Website**").

Royal Trust Motion[2]

1.4 On February 13, 2026, counsel to Royal Trust Corporation of Canada ("**Royal Trust**"), the current trustee of four retirement compensation arrangement trusts ("**RCAs**") for current and former employees of Hudson's Bay Canada (the "**HBC RCAs**"), served a motion record, including an affidavit sworn by Susannah B. Roth on February 10, 2026 (the "**Roth Affidavit**") in support of a motion, returnable at a date to be determined, for advice and directions from the Court with respect to various matters related to the HBC RCAs (the "**Royal Trust Motion**").

1.5 Pursuant to the Royal Trust Motion, Royal Trust sought the Court's advice and directions in respect of twelve primary questions, along with certain potentially relevant follow-up

[2] References in this Report to discussions involving the Monitor may refer to the Monitor, the Monitor's counsel, or both the Monitor and its counsel.

questions. Those questions are reproduced at **Appendix "A"** hereto for ease of reference. Royal Trust did not provide a view in respect of these questions in its motion materials.

1.6 Following service of that motion, the Monitor and its counsel have had extensive discussions with the Applicants and their counsel, counsel to Royal Trust, counsel to TELUS Health Canada Ltd. (the "**Independent Pension Administrator**"), in its capacity as administrator of the Hudson's Bay Company Pension Plan (the "**Pension Plan**"), and Ursel Phillips Fellows Hopkinson LLP, in its capacity as "**Employee Representative Counsel**" as appointed pursuant to the Employee Representative Counsel Order granted by this Court on May 5, 2025.

<u>September 25 Hearing – Unopposed Questions and Redaction Motion</u>

1.7 A case management conference was held on June 26, 2026, to discuss certain procedural and timing matters related to the Royal Trust Motion. At that case conference, Employee Representative Counsel presented a proposal with respect to the process and timing of the hearing of a motion to resolve certain of the primary questions raised in the Royal Trust Motion (specifically, Questions #1-8 and #10-11 thereunder) as well as an additional question (referred to as 'Additional Question A'), which it expected could be resolved on an unopposed basis (collectively, the "**Unopposed Questions**").

1.8 As discussed in greater detail below, Employee Representative Counsel proposed that Question #9 and an additional related question (referred to as 'Additional Question B') be deferred until the issues above are resolved (as the outcome of such issues may impact whether Question #9 and Additional Question B remain relevant and need to be addressed),

and that a separate hearing be scheduled at a later date to address Question #12, which is currently expected to be contested, and potentially related issues and questions.

1.9 Following that case conference, the Court issued an endorsement dated June 26, 2026 (the "**Royal Trust Motion Scheduling Endorsement**"). Pursuant to that endorsement, the Court, among other things:

(a) scheduled a half-day hearing before Justice Steele for September 25, 2026 (the "**September 25 Hearing**") to consider the Unopposed Questions;

(b) directed that, to the extent sealing is sought, the party requesting the sealing order shall complete the Notice of Request for Publication Ban form on the Court's website and comply with the specific notice requirements set out under the Consolidated Civil Practice Direction, Part 9 – Publication Bans, paragraphs 113-117;

(c) pending the outcome of the confidentiality and sealing order motion, directed the parties to adopt a protocol for dealing with the evidence on this portion of the Royal Trust Motion that does not involve filing any materials with the Court that contain the evidence sought to be sealed; and

(d) directed the parties to develop a timetable and protocol for briefing this part of the Royal Trust Motion that ensures all materials have been served, filed and uploaded into the appropriate hearing bundle in Case Center by no later than September 23, 2026.

1.10 A copy of the Royal Trust Motion Scheduling Endorsement is attached hereto as **Appendix "B"**.

1.11 On July 17, 2026, Employee Representative Counsel served the following materials on the CCAA service list:

(a) a responding motion record, including an affidavit sworn by Rita De Fazio on the same date (the "**De Fazio Unopposed Questions Affidavit**") addressing the matters that it sought to resolve on a consensual basis in connection with the Royal Trust Motion;

(b) a motion record, including an affidavit sworn by Rita De Fazio on the same date (the "**De Fazio Redaction Affidavit**") seeking an Order (the "**Redaction Order**") authorizing Employee Representative Counsel to file in a supplementary responding motion record a copy of the Employment Contracts (as defined below) with redactions applied to confidential details; and

(c) a factum addressing the relief sought pursuant to the Redaction Order.

1.12 On the same date, Employee Representative Counsel also issued a letter addressed to the Court enclosing a proposed schedule and protocol (which had been discussed with the Applicants, Royal Trust, and the Monitor, and had been provided to the Applicants' secured lenders) for addressing various matters in advance of the September 25 Hearing (the "**Schedule and Protocol**"). A copy of the July 17 letter, including the Schedule and Protocol, is attached hereto as **Appendix "C"**.

1.13 The Schedule and Protocol contemplated that Employee Representative Counsel's motion for the Redaction Order would be heard in writing. Following correspondence between Employee Representative Counsel and the Court, the Court issued an endorsement dated

July 24, 2026 (the "**July 24 Endorsement**") pursuant to which the Court, among other things, indicated that it could not sign the requested Redaction Order on the basis of an in-writing motion, and adjourned that motion to the September 25 Hearing. The Court also granted permission for Employee Representative Counsel to serve on the service list and file a supplementary responding motion record containing redacted copies of the Employee Contracts pending the final determination of the relief sought pursuant to the Redaction Order. A copy of the July 24 Endorsement is attached hereto as **Appendix "D"**.

1.14 On July 24, 2026, in connection with the Unopposed Questions, counsel for Royal Trust served a supplemental affidavit of Susannah B. Roth sworn on the same date (the "**Supplementary Roth Affidavit**", and together with the Roth Affidavit, the "**Roth Affidavits**"). On the same date, Employee Representative Counsel served its factum addressing its views on the Unopposed Questions. That factum includes a chart summarizing Employee Representative Counsel's proposed approach for each of the Unopposed Questions (which had been discussed between Employee Representative Counsel, the Applicants, Royal Trust, and the Monitor). That chart is attached hereto as **Appendix "E"**.

1.15 On July 28, 2026, Employee Representative Counsel served the Schedule and Protocol on the CCAA service list. The Schedule and Protocol was posted to the Case Website (along with certain other informational materials, as discussed further below) promptly thereafter. No opposition in respect of the Schedule and Protocol was expressed to the Monitor, nor is the Monitor aware of any such opposition.

1.16 On July 31, 2026, Employee Representative Counsel served its supplemental responding motion record, including an affidavit sworn by Rita De Fazio on the same date (together with the De Fazio Redaction Affidavit and the De Fazio Unopposed Questions Affidavit, the "**De Fazio Affidavits**"), on the CCAA service list. On the same date, counsel to Royal Trust served a factum on the CCAA service list which, among other things, provided its view that the Court has the authority to provide direction in respect of the Unopposed Questions, and sought approval of the Proposed Cost Allocation Methodology (as defined below) pursuant to which Royal Trust proposes to allocate costs as among each of the HBC RCAs.

1.17 On August 15, 2026, following discussions involving Employee Representative Counsel, Royal Trust, the Independent Pension Administrator, and the Monitor, Employee Representative Counsel served a draft form of Order addressing the Unopposed Questions (the "**HBC RCA Direction Order**") on the CCAA service list. As contemplated, the HBC RCA Direction Order provides direction in respect of Questions #1-8 and #10-11 from the Roth Affidavit, as well as Additional Question A.

1.18 Among other things, the HBC RCA Direction Order would:

(a) direct that the date of termination of the HBC SERPs (as defined below) is March 7, 2025 (the "**Termination Date**");

(b) order that the application of the assets in the HBC Main RCA (as defined below) shall be limited to benefits accrued up to November 10, 2005 under the terms of the HBC Main SERP Plan (as defined below), and therefore the distribution of the assets in the HBC Main RCA shall be made only to individuals, or their respective named

beneficiaries or estates after their death, entitled to receive payments pursuant to the HBC Main SERP Plan (the "**HBC Main SERP Participants**") with benefits accrued up to November 10, 2005 under the terms of the HBC Main SERP Plan (the "**2005 Main SERP Participants**") and to no other HBC Main SERP Participants, and provide related direction with respect to the distribution of the HBC Main RCA assets to the 2005 Main SERP Participants in accordance with art. 7.04 of the HBC Main SERP Plan having regard to the sufficiency of the assets in the HBC Main RCA;

(c) direct that Royal Trust and the Actuary for the HBC RCAs (as such term is defined in the HBC Main Trust Agreement and HBC Additional Trust Agreement, each as defined below), are to proceed on the basis that there is no plan text for the HBC Main SERP Participants who have employment contracts which require the securing of benefits related to the HBC Additional SERP in excess of the amounts provided under the HBC Main SERP under certain circumstances (the "**HBC Additional SERP Participants**"), and that benefits payable to the HBC Additional SERP Participants are to be determined in accordance with the HBC Main SERP Plan;

(d) declare that the HBC Additional SERP Participants are: (i) entitled to security in excess of what the HBC Main RCA provides, which was provided by the HBC Additional RCA (as defined below); and (ii) are the only HBC Main SERP Participants entitled to the assets in the HBC Additional RCA;

(e) direct that the methodology for allocating the assets of the HBC Additional RCA shall include only the benefits accrued by the Additional SERP Participants on and after November 10, 2005, to their Change of Control Termination Dates (as such term is

defined under the HBC Main SERP Plan) (the "**Post-2005 Termination Liability**"), and authorizing distributions to be made in respect of the Post-2005 Termination Liability;

(f) approve the methodology proposed in the Roth Affidavit for calculating liabilities under the HBC Main SERP, and provide direction with respect to the assumptions to be used in connection therewith;

(g) authorize Royal Trust to make interim distributions from the HBC Main RCA and the HBC Additional RCA before a determination is made with respect to the HBC Main SERP Participants' entitlement to amounts from the Pension Plan surplus, and provide for a process to be followed by the Independent Pension Administrator in the distribution of Pension Plan surplus amounts that ensures any overpayments resulting from the interim distributions from the HBC Main RCA or the HBC Additional RCA are set off from such distributions of the Pension Plan surplus;

(h) provide that potential excess amounts shall not be distributed except upon further Order of the Court or agreement between Employee Representative Counsel and the Monitor;

(i) approve the Proposed Cost Allocation Methodology;

(j) limit the liability for various parties in exercising their duties in accordance with the HBC RCA Direction Order; and

(k) grant various ancillary relief in connection with the foregoing.

1.19 The Monitor understands that Royal Trust has requested that Employee Representative Counsel serve a revised form of HBC RCA Direction Order in advance of the September 25 Hearing in connection with Royal Trust's obligation under the HBC Main Trust Agreement and the HBC Additional Trust Agreement to invest the assets in Treasury Bills (as defined below), which accrue interest. Due to Royal Trust's obligation to remit Refundable Taxes (as defined below) to the Canada Revenue Agency (the "**CRA**") on any investment returns in the RCAs, the Monitor understands that Royal Trust is seeking authority to, with the consent of the Monitor and Employee Representative Counsel, liquidate outstanding investments and hold the remaining assets of the HBC Main RCA and HBC Additional RCA in separate, non-interest bearing accounts at the appropriate time so that Royal Trust is not required to remit the refundable tax on diminishing investment returns as distributions are made. The intention is to avoid a never-ending cycle where investment returns are realized, tax returns need to be filed, and the RCAs receive refunds which are then re-invested and will earn further investment returns (resulting in the cycle beginning again). However, the funds will continue to be invested until the applicable parties – including the Monitor – agree that it is not economic to continue to do so.

1.20 The only relief before the Court for the September 25 Hearing is the relief sought by Employee Representative Counsel pursuant to the HBC RCA Direction Order and the Redaction Order. The Monitor supports the relief sought and is not aware of any opposition.

Purpose of this Report

1.21 The purpose of this Eighteenth Report is to provide the Court with information, and where applicable, the Monitor's views on:

(a) the HBC RCAs and the HBC SERPs;

(b) the Schedule and Protocol followed in the lead-up to the September 25 Hearing;

(c) the HBC RCA Direction Order;

(d) the Redaction Order; and

(e) the Monitor's conclusions and recommendations in respect of the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Eighteenth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including senior management of, and advisors to, the Applicants (collectively, the "**Information**").

2.2 This Eighteenth Report should be read in conjunction with the Roth Affidavits, the De Fazio Affidavits, and the other motion materials filed in connection therewith. Capitalized terms used and not defined in this Eighteenth Report have the meanings ascribed to them in the Roth Affidavits, the De Fazio Affidavits, or the Prior Reports, as applicable.

2.3 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 BACKGROUND ON HBC RCAs AND HBC SERPs

Background

3.1 The following is a brief summary of key information the Monitor views as relevant to the September 25 Hearing with respect to the HBC RCAs and the HBC SERPs based on its review of the materials filed in connection with this motion. Additional detail can be found in the Roth Affidavits and the De Fazio Affidavits and the exhibits thereto.

3.2 As noted above, Royal Trust is the current trustee of the four HBC RCAs. The HBC RCAs are trust vehicles, as required under the *Income Tax Act* (Canada) (the "**ITA**"), that hold assets available for the payment of benefits under the supplementary executive retirement plans (the "**HBC SERPs**"). Royal Trust is not a party to the plan texts for the HBC SERPs.

3.3 The HBC SERPs are contractual retirement plans providing for additional benefits to current and former employees of HBC, separate and apart from the Pension Plan. The Monitor understands that there are approximately 305 participants in the HBC SERPs, many of whom are participants in more than one plan. The obligations to the participants in the HBC SERPs are established solely under the applicable HBC RCA plan texts and the relevant employment contracts – unlike registered pension plans, SERPs and RCAs are not subject to legislative minimum standards for funding, security or actuarial calculations.

Basis for Royal Trust Motion

3.4 In the Roth Affidavit, Royal Trust states that, following the commencement of these CCAA Proceedings, the Company notified Royal Trust that it was terminating the HBC SERPs, which required Royal Trust to wind-up the HBC RCAs and pay out the assets therein in

accordance with the requirements of each HBC RCA. To carry out the actuarial calculations required to complete this wind-up, Royal Trust retained Mercer (Canada) Limited (now, Marsh Mercer (Canada) Limited) ("**Mercer**") as its Actuary, pursuant to the trust agreements for the HBC RCAs.

3.5 In the course of its review, Mercer identified a number of perceived ambiguities in the HBC SERP documents related to the following HBC RCAs:

(a) The "**HBC Main RCA**", which is the trust established pursuant to the Multi Funded RCA Trust Agreement made as of January 6, 2006, between the Company, as settlor, and Royal Trust, as trustee (the "**HBC Main Trust Agreement**") governing the Trust Fund in respect of the Hudson's Bay Company Supplementary Executive Retirement Plan (the "**HBC Main SERP**"). The HBC Main SERP plan text is the amended and restated plan text effective as of January 1, 2024 (the "**HBC Main SERP Plan**").

(b) The "**HBC Additional RCA**", which is the trust established pursuant to the RCA Trust Agreement made as of June 1, 2011, between the Company, as settlor, and Royal Trust, as trustee, as amended by the Amending Agreement made as of June 18, 2019 (the "**HBC Additional Trust Agreement**") governing the Trust Fund in respect of the Hudson's Bay Company Additional Supplementary Executive Retirement Plan for Certain Executives (the "**HBC Additional SERP**"). As discussed below, no separate, standalone plan text has been identified for the HBC Additional SERP.

3.6 Royal Trust is of the view that, in the ordinary course, Mercer's questions would have been answered by the Company, as administrator of the HBC SERPs. However, following the commencement of the CCAA Proceedings, the Company renounced its role as

administrator of the HBC SERPs. Royal Trust is of the view that its role is limited to administering the HBC RCAs and does not include interpreting the terms of the HBC SERPs. As such, Royal Trust brought the Royal Trust Motion for advice and direction to resolve the perceived ambiguities as it did not believe that it or Mercer could further advance the wind-up of the HBC SERPs absent direction from the Court.

3.7 The HBC RCA Direction Order seeks to consensually resolve most of the issues identified in the Royal Trust Motion, and to approve the Proposed Cost Allocation Methodology (which was not identified as a "Question" requiring direction in the Roth Affidavit, but for which this Court's approval is requested). Aside from approving the Proposed Cost Allocation Methodology, which affects all of the HBC RCAs, the HBC RCA Direction Order only addresses issues related to the HBC Main RCA and the HBC Additional RCA – the relief does not otherwise impact the other two HBC RCAs, which are not discussed in detail herein. Further background in respect of the HBC Main RCA, the HBC Additional RCA, and the related HBC SERPs, follows below.

HBC Main RCA

3.8 As reflected in the recitals of the HBC Main Trust Agreement, the HBC Main RCA was established following a "Change in Control" event (as defined in the HBC Main SERP), which required the Company to secure supplementary pension benefits accrued to the date thereof. As indicated in the Roth Affidavit and the De Fazio Unopposed Questions Affidavit, the Company made a single contribution to the HBC Main SERP calculated based on benefits accrued from October 29, 1999 to November 10, 2005, and did not fund

benefits accrued on or after that date through the HBC Main RCA or any other RCA (except for benefits accruing to the Additional SERP Participants).

3.9 The HBC Main SERP provided for both a defined benefit ("**DB**") component (for accrued service from 1999 to 2012, or up to 2015 for certain grand-parented executives) and a defined contribution ("**DC**") component (for executives with service from 2012 onwards). The Monitor understands that no contributions were actually paid into an account in respect of the DC pensions accrued under the HBC Main SERP – as such, those amounts are unsecured debts that are not at issue for the September 25 Hearing.

3.10 According to the De Fazio Unopposed Questions Affidavit, the HBC Main SERP has a total of 286 participants (consisting of 257 participants in the DB component, and 29 participants in the DC component). According to the Roth Affidavit, as of October 31, 2025, the HBC Main RCA had assets of $58,415,496.71.

3.11 As noted in the motion materials and discussed further below, there is an apparent conflict in the language between the HBC Main SERP and the HBC Main Trust Agreement. Employee Representative Counsel is of the view that Article 7.04 of the HBC Main SERP appears, on its face, to provide all of the DB component participants in the HBC Main SERP with the right to a *pro rata* share of the assets in the HBC Main RCA.

3.12 However, as noted by Employee Representative Counsel, the recitals to the HBC Main Trust Agreement provide that the HBC Main RCA was set up for the express purpose of securing the benefits accrued under the HBC Main SERP up to November 10, 2005, and provides at Article 2.01 that the assets may only be distributed in the manner and "for the purposes" provided in the HBC Main Trust Agreement. Article 9.1.1 of the HBC Main

Trust Agreement provides that "where the terms of [the HBC Main Trust Agreement] and the [HBC Main SERP Plan] are inconsistent in whole or in part, the terms of [the HBC Main Trust Agreement] shall prevail over the terms of the [HBC Main SERP Plan]".

3.13 As described by Employee Representative Counsel, the Monitor understands that the Company's communications to the HBC Main SERP Participants referred to DB benefits accrued prior to November 10, 2005 as "funded", and amounts accrued thereafter as "unfunded" – consistent with the language in the HBC Main Trust Agreement.

HBC Additional RCA

3.14 The HBC Additional RCA recitals indicated that the HBC Additional RCA was established to secure benefits owing to the two HBC Additional SERP Participants whose employment agreements (the "**Employment Contracts**") contained enhanced protections in their favour. Specifically, the Employment Contracts required the Company to "immediately secure the supplementary pension benefits accrued to [the HBC Additional SERP Participant]" if they were terminated without cause or resigned within two years of a "Change of Control" (as defined in the Employment Contracts), to the extent any funds already "held in trust at the time are deemed to be actuarially inadequate".

3.15 The Monitor understands that the HBC Additional SERP Participants were terminated on July 17, 2008 and June 30, 2010, respectively. According to the Roth Affidavit, as of October 31, 2025, the HBC Additional RCA had assets in the amount of $454,661.96.

3.16 The recitals of the HBC Additional Trust Agreement reference the HBC Additional SERP as a separate SERP distinct from the HBC Main SERP. However, despite the efforts by

Royal Trust and the Company described in the Roth Affidavit, no separate plan text has been located by Royal Trust or the Company. The HBC Additional Trust Agreement contains language similar to the HBC Main Trust Agreement confirming that, in the event of a conflict, the terms of the HBC Additional Trust Agreement shall prevail over the terms of the SERP or the Employment Contract.

4.0 SCHEDULE AND PROTOCOL

4.1 A summary of the materials filed by the various parties is provided in Section 1.0 of this Eighteenth Report. Further background on additional steps taken pursuant to the Schedule and Protocol is set out below.

4.2 As discussed above, the Schedule and Protocol was served on the CCAA service list on July 28, 2026. In accordance with the Schedule and Protocol, and in consultation with Royal Trust and the Monitor, Employee Representative Counsel prepared information and instructions (the "**Information and Instructions**") for how Interested Parties (as defined below) could participate in the September 25 Hearing. "**Interested Parties**" are defined as parties that (a) are not already on the CCAA service list (individually or through counsel); and (b) have a defined interest in the subject matter of the motion, including, without limitation, members of RCAs and SERP groups and their estates. Among other things, the Information and Instructions provided a form of "Notice of Intention" to be delivered to the Monitor and Employee Representative Counsel by any Interested Party wishing to take a position at the September 25 Hearing. A copy of the Information and Instructions is attached hereto at **Appendix "F"**.

4.3 In addition to the Information and Instructions, Employee Representative Counsel also prepared a plain-language overview of its position in respect of the issues for the September 25 Hearing (the "**Overview**"). A copy of the Overview is attached hereto at **Appendix "G"**.

4.4 The Monitor understands from Employee Representative Counsel that, on July 22, 2026, Employee Representative Counsel posted a notice that it would host a town hall on July 29, 2026, and emailed that notice to its email distribution list for all HBC SERP participants for which Employee Representative Counsel has an email address (128 individuals). The Monitor also understands from Employee Representative Counsel that, on July 27, 2026, French and English copies of the Information and Instructions and the Overview, along with a copy of Employee Representative Counsel's July 24 factum, were (a) emailed to Employee Representative Counsel's email distribution list; and (b) posted on Employee Representative Counsel's website. The Monitor also posted copies of these materials on its Case Website on July 28, 2026.

4.5 The Monitor understands that, on July 29, 2026, in accordance with the Schedule and Protocol, Employee Representative Counsel hosted a town hall that was attended by 78 HBC SERP participants. As noted in the De Fazio Unopposed Questions Affidavit, Employee Representative Counsel had previously hosted town halls to discuss issues with the HBC SERP participants on September 25, 2025 and March 24, 2026.

4.6 The Schedule and Protocol provided that any Interested Party wishing to take a position at the September 25 Hearing was required to:

(a) deliver a Notice of Intention to Employee Representative Counsel and the Monitor by August 24, 2026;

(b) serve and file a motion record by September 4, 2026; and

(c) serve and file a factum by September 11, 2026.

4.7 The Monitor did not receive any Notices of Intention. The Monitor understands from Employee Representative Counsel that Employee Representative Counsel similarly did not receive any Notices of Intention. Further, no materials were served on the CCAA service list by any Interested Parties.

4.8 As noted above, the draft HBC RCA Direction Order was served by Employee Representative Counsel on the CCAA service list on August 15, 2026. The Monitor is advised by Employee Representative Counsel that Employee Representative Counsel posted a copy of that Order on its website on the same date.

4.9 Employee Representative Counsel has confirmed to the Monitor that, as of the date hereof, it has not received any communication from any individual to question or dispute Employee Representative Counsel's analysis regarding the HBC Main RCA, to provide contrary facts that raise concerns about Employee Representative Counsel's analysis, or to suggest that Employee Representative Counsel's analysis and proposed positions on the issues are incorrect. As of the date hereof, the Monitor is not aware of any opposition to the relief being sought at the September 25 Hearing.

5.0 HBC RCA DIRECTION ORDER

5.1 As described above, the HBC RCA Direction Order would provide direction in respect of most issues raised in the Royal Trust Motion, as well as certain subsequently-identified issues. The material relief sought in the HBC RCA Direction Order is described below.

5.2 As noted above, the HBC RCA Direction Order does not address Question #9, which asks whether the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and the HBC Additional RCA should be limited to 100% of their Termination Liability. Employee Representative Counsel proposes that this issue be addressed separately at a later date after the Actuary has conducted its calculations following the Court's directions contemplated by the HBC RCA Direction Order. Relatedly, Employee Representative Counsel proposes that Additional Question B, which asks whether any excess assets remaining in the HBC RCA trust funds can be paid to the Company, be deferred pending resolution of Question #9 – however, the HBC RCA Direction Order would allow further distributions of excess assets to occur if agreed to between Employee Representative Counsel and the Monitor, or otherwise authorized pursuant to further Order of the Court.

5.3 Finally, the HBC RCA Direction Order does not address Question #12, which asks whether certain amounts loaned by the Company to the HBC RAA RCA and the Zellers RCA (each as defined in the Roth Affidavit) should be repaid out of such HBC RCA assets, and which is expected to be the subject of a future, contested motion to the extent a consensual agreement cannot be reached between the relevant parties.

Direction Related to the HBC Main SERP

Entitlement to Assets of the HBC Main RCA

5.4 As noted above, there is a potential conflict between the HBC Main Trust Agreement and the HBC Main SERP regarding the entitlement to the HBC Main RCA assets on a wind-up. Employee Representative Counsel submits that the purpose of the HBC Main RCA, as described in the HBC Main Trust Agreement, is to secure benefits accrued up to the November 10, 2005 "Change in Control". Employee Representative Counsel also highlights that the HBC Main Trust Agreement governs in the event of a conflict with the HBC Main SERP, and that the Company's conduct (including its communications with the HBC Main SERP Participants) made clear that the entitlement to the assets in the HBC Main RCA was limited to benefits accrued prior to November 10, 2005.

5.5 In response to Question #2, the HBC RCA Direction Order would therefore direct that the application of the assets of the HBC Main RCA be limited to benefits accrued prior to November 10, 2005, and that, in respect of the 2005 Main SERP Participants, the Actuary shall calculate the "Termination Liability", as defined in the HBC Main SERP, up to the Termination Date (the "**Total Termination Liability**") and shall also calculate the portion of the Total Termination Liability that is attributable to benefits accrued up to November 10, 2005 under the terms of the HBC Main SERP Plan for each of the 2005 Main SERP Participants (the "**2005 Termination Liability**"). The HBC RCA Direction Order also provides a mechanism for distributions to be made from the HBC Main RCA assets based on participants' 2005 Termination Liability only, and pro-rated having regard to the sufficiency of the assets in the HBC Main RCA.

5.6 If the calculation results in a surplus, such assets will not be distributed except upon further Order of the Court or as directed in any agreement between the Monitor and Employee Representative Counsel.

Termination Date

5.7 The HBC Main Trust Agreement provides that on an "Insolvent Date, the Plan shall be deemed fully terminated" – the definition of "Insolvent Date" includes "the date on which [Royal Trust] is provided with evidence satisfactory to it that the Company has … become bankrupt or insolvent". Therefore, in response to Question #3, the HBC RCA Direction Order provides that the date of termination of the HBC SERPs is March 7, 2025, the date the Applicants commenced these very widely-publicized CCAA Proceedings.

Direction Related to the HBC Additional RCA

5.8 The HBC RCA Direction Order would provide the following direction to the questions raised in the Royal Trust Motion concerning the HBC Additional RCA:

(a) Plan Text (Questions #4 and #5): given that no plan text has been identified for the HBC Additional SERP, the HBC RCA Direction Order would direct Royal Trust and the Actuary to proceed on the basis that there is no plan text for the HBC Additional SERP, and that benefits payable to the HBC Additional SERP Participants are to be determined in accordance with the HBC Main SERP Plan.

(b) Additional Security (Question #6): consistent with the HBC Additional Trust Agreement and the Employment Contracts, the HBC RCA Direction Order would provide that the HBC Additional SERP Participants are entitled to security in excess

of what the HBC Main RCA provides, and that such security was provided by the HBC Additional RCA.

(c) Priority Entitlement (Question #7): on the same basis, the HBC RCA Direction Order would order that only the HBC Additional SERP Participants are entitled to the assets in the HBC Additional RCA.

(d) Allocation Methodology (Question #8): the HBC RCA Direction Order would require the Actuary to calculate the liabilities of the HBC Additional RCA based on the HBC Additional SERP Participants' Post-2005 Termination Liability. This direction would ensure the Actuary accounts appropriately for the Additional SERP Participants' entitlements under the HBC Main RCA (which secured the 2005 Termination Liability) and the HBC Additional RCA (which secured the Post-2005 Termination Liability). The distribution of assets in the HBC Additional RCA would be made to the Additional SERP Participants in the amount of their respective Post-2005 Termination Liability, pro-rated having regard to the sufficiency of the assets in the HBC Additional RCA. If the calculation results in a surplus, such assets would not be distributed except upon further Order of the Court or as directed in any agreement between the Monitor and Employee Representative Counsel.

Direction Regarding Calculation Methods

5.9 At paragraph 172 of the Roth Affidavit, Royal Trust describes the methodology provided in the HBC Main SERP plan text to be used to calculate Termination Liability. As noted therein, Royal Trust is not aware of any other basis on which Termination Liability should be calculated. As such, in response to Question #10, the HBC RCA Direction Order would

provide that such methodology is to be used to calculate the types of Termination Liability required to make the distributions contemplated therein.

5.10 In response to Question #11, the HBC RCA Direction Order would also direct that the actuarial assumptions in accordance with the CIA Recommendation (as defined in the Roth Affidavit) applicable for March 2025 shall be used to complete certain calculations required by the Actuary. As described in the Roth Affidavit, this methodology is commonly used by actuaries to complete similar calculations, and the HBC Main SERP plan text supports the use of actuarial assumptions in accordance with the CIA Recommendation.

Direction Regarding Interim Distributions and Surplus Set Off Mechanism

5.11 In response to Question #1, the HBC RCA Direction Order would authorize Royal Trust to distribute the assets from the HBC Main RCA and the HBC Additional RCA prior to a final determination of any amounts the participants may be entitled to receive from the surplus in the Pension Plan (the "**Surplus Payment**"). To protect the Applicants' potential interest in any excess HBC RCA assets and to ensure compliance with article 7.08 of the HBC Main SERP Plan, without causing unnecessary delay in the wind-up of the HBC RCAs, the HBC RCA Direction Order also establishes a set off mechanism with respect to any Surplus Payment that would be administered by the Independent Pension Administrator.

5.12 Under this mechanism, with respect to 2005 Main SERP Participants (other than the Additional SERP Participants), the Independent Pension Administrator is directed not to make any distribution of a Surplus Payment until any applicable "2005 Set Off Amount" has been calculated and deducted from the Surplus Payment. A parallel mechanism applies

to the Additional SERP Participants through the calculation of an "Additional SERP Set Off Amount", which accounts for their combined "Total Distribution" from both the HBC Main RCA and HBC Additional RCA. These set off amounts are to be remitted to the Company in accordance with any Court order respecting the distribution of surplus from the Pension Plan. Upon completion of this process, the net Surplus Payments (if any) are to be distributed to each participant in accordance with any Court Order with respect to such Surplus Payments.

Proposed Cost Allocation Methodology

5.13 As described in the Roth Affidavit, Royal Trust has incurred legal and actuarial fees and disbursements related to the management and wind-up of the HBC RCAs (the "**Costs**"). Each of the trust agreements for the HBC RCAs provides that Royal Trust is authorized to pay the Costs out of each HBC RCA trust fund. Royal Trust has proposed that, where fees and disbursements are incurred by it with respect to a specific HBC RCA, such costs shall be applied to the specific HBC RCA trust fund, while costs related to general work covering all of the HBC RCAs shall be distributed across all four HBC RCA trust funds rateably based on the quantum of assets in such HBC RCA trust fund (inclusive of "Refundable Tax") (the "**Proposed Cost Allocation Methodology**").

5.14 In response to Additional Question A, the Proposed Cost Allocation Methodology would be adopted pursuant to the HBC RCA Direction Order, and Royal Trust would be authorized to pay its costs incurred, and its reasonable and documented costs to be incurred, in respect of the HBC RCAs and the winding up thereof in accordance with the Proposed Cost Allocation Methodology.

Liquidation of Investments

5.15 As noted above, the Monitor understands that Royal Trust has requested that the HBC RCA Direction Order authorize Royal Trust, with the consent of the Monitor and Employee Representative Counsel, to liquidate outstanding investments in the HBC Main RCA and HBC Additional RCA and hold the remaining assets of such HBC RCAs in separate, non-interest bearing accounts at a time to be agreed among Royal Trust, the Monitor and Employee Representative Counsel after the first distributions have been made from the HBC Main RCA and HBC Additional RCA.

5.16 As described in the Roth Affidavit, the Monitor understands that, if an amount paid into an RCA by an employer is a "contribution" for purposes of the ITA, then 50% of the amount of the contribution must be remitted to the CRA as a refundable tax (a "**Refundable Tax**") pursuant to the ITA. In addition, if an RCA has earned income net of losses in a tax year, 50% of that net income earned is also included in the calculation of Refundable Tax payable to the CRA for that year.

5.17 As discussed in greater detail therein, Refundable Tax is held in an account for the RCA by the CRA and refunded by the CRA to the RCA as benefits are paid out to RCA beneficiaries. According to the Roth Affidavit, one common way in which the Refundable Tax is refunded is following a request for a refund being made to the CRA on the RCA's annual tax return filed by the RCA (based on the benefits paid in the preceding year).

5.18 Article 3.1.9 of the HBC Main Trust Agreement and the HBC Additional Trust Agreement require Royal Trust, following an "Insolvent Date" (as defined therein), which has occurred, to liquidate the HBC RCA assets and invest such assets in ninety-day

Government of Canada Treasury Bills (the "**Treasury Bills**"). The Roth Affidavit confirms that Royal Trust has invested the HBC Main RCA and the HBC Additional RCA assets in accordance with this requirement.

5.19 Following the service of the motion materials contemplated by the Schedule and Protocol, Royal Trust expressed concerns to the Monitor and Employee Representative Counsel that, at some time after the initial distributions have been made and the required tax returns for the HBC Main RCA and the HBC Additional RCA have been filed, it will no longer be economical for assets to be reinvested, including in Treasury Bills. Any investments would generate investment returns and require Royal Trust to remit Refundable Taxes to the CRA, which would ultimately be refunded to the applicable RCA only after the annual tax returns have been filed, and all such remittances and refunds would be in relation to progressively smaller investment returns and the corresponding refunds would delay the full and final wind-up of the HBC Main RCA and the HBC Additional RCA. All such ongoing administration would be at a cost to the respective HBC RCAs.

5.20 To avoid this uneconomical result and to allow the HBC Main RCA and the HBC Additional RCA to be fully and finally wound-up in a timely manner, the proposed additional language in the revised HBC RCA Direction Order would give Royal Trust the authority, with the consent of the Monitor and Employee Representative Counsel, to liquidate the HBC Main RCA and the HBC Additional RCA assets at a time to be agreed among Royal Trust, the Monitor and Employee Representative Counsel after the first distributions have been made from the HBC Main RCA and HBC Additional RCA considering, among other things, the potential investment returns relative to the administrative costs involved (the "**Liquidation Authority**").

Ancillary Relief

5.21 Finally, the HBC RCA Direction Order grants certain ancillary relief necessary to facilitate the wind-up of the HBC Main RCA and the HBC Additional RCA. Among other things, the ancillary relief:

(a) authorizes and directs the Company, the Monitor, Royal Trust, and Employee Representative Counsel to share contact information for the HBC SERP participants, and authorizes Royal Trust to obtain payment particulars directly from participants, their surviving spouses, or beneficiaries;

(b) authorizes and directs Royal Trust to take instructions from the Company for the purposes of carrying out the HBC RCA Direction Order based on the mutual agreement of Employee Representative Counsel, the Company, and the Monitor;

(c) directs Royal Trust, the Actuary, the Independent Pension Administrator, the Company, the Monitor, and Employee Representative Counsel to cooperate to give effect to the directions, and to provide the mutual assistance reasonably necessary to carry out the directions in the HBC RCA Direction Order; and

(d) provides that the Monitor, the Company, Royal Trust, the Actuary, Employee Representative Counsel, and the Independent Pension Administrator shall incur no liability whatsoever as a result of the performance of their duties under the HBC RCA Direction Order, save and except for gross negligence or wilful misconduct.

Recommendation of the Monitor

5.22 The Monitor notes the following with respect to the HBC RCA Direction Order:

(a) direction from this Court is necessary to facilitate the wind-up of the HBC RCAs, which is in the best interests of the Company and the HBC SERP participants;

(b) the form of HBC RCA Direction Order was heavily negotiated among Employee Representative Counsel, Royal Trust, and the Company, in consultation with the Monitor and the Independent Pension Administrator, and represents a consensual resolution to the majority of the issues raised in the Royal Trust Motion;

(c) the directions provided are reasonable in the circumstances and consistent with the underlying HBC RCA and HBC SERP documentation;

(d) the limitations of liability are limited to what is necessary to ensure the parties receiving direction from the Court are appropriately protected in the course of undertaking their duties;

(e) pursuant to the Schedule and Protocol, the HBC RCA Direction Order was brought before this Court in a transparent manner, the relief sought was widely disclosed, and stakeholders were provided sufficient time to voice any objections or concerns or to seek alternative relief;

(f) the Liquidation Authority, which the Monitor understands will be included in a revised draft of the HBC RCA Direction Order to be served in advance of the

September 25 Hearing, will avoid an uneconomical result and allow the HBC Main RCA and the HBC Additional RCA to be wound-up in a timely manner;

(g) the Monitor is not aware of any opposition to the HBC RCA Direction Order; and

(h) the Monitor does not believe the relief sought will prejudice any of the Applicants' stakeholders.

5.23 For the reasons set out above, the Monitor believes that the relief sought by Employee Representative Counsel is reasonable and appropriate in the circumstances, and that the HBC RCA Direction Order should be approved.

6.0 REDACTION ORDER

6.1 Employee Representative Counsel also seeks the Redaction Order, which would authorize Employee Representative Counsel to serve and file the redacted Employment Contracts. Employee Representative Counsel states that it does not seek a sealing Order because none of the parties to date have served or filed any confidential personal information related to the Employment Contracts, nor is any personal information necessary for Royal Trust to obtain the necessary directions.

6.2 As described above, Employee Representative Counsel initially sought for the Redaction Order to be determined on the basis of an in-writing motion. The Court ultimately adjourned the relief sought, but granted permission for the redacted Employment Contracts to be served in the interim – as such, the redacted Employment Contracts were included with Employee Representative Counsel's supplementary motion record.

6.3 The information redacted from the Employment Contracts is limited to personal information for the relevant employees – the key terms of the Employment Contracts are not redacted. The Monitor does not believe that any stakeholder is prejudiced by the limited redactions applied in the circumstances, and notes that this Court has granted similar relief in granting sealing Orders for personal details of employees filed in connection with: (i) the key employee retention plan; and (ii) the Hardship Programs Order granted on February 13, 2026. The Monitor is therefore supportive of the Redaction Order and believes that the relief sought therein is reasonable and appropriate in the circumstances.

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 For the reasons set out in this Eighteenth Report, the Monitor respectfully requests that this Court grant the HBC RCA Direction Order and the Redaction Order.

All of which is respectfully submitted to the Court this 18th day of September, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity

Per: _____
Alan J. Hutchens
Senior Vice-President

Per: _____
Greg A. Karpel
Co-President

SCHEDULE A[3]

OTHER APPLICANTS

HBC Canada Parent Holdings Inc.

HBC Canada Parent Holdings 2 Inc.

HBC Bay Holdings I Inc.

HBC Bay Holdings II ULC

The Bay Holdings ULC

HBC Centerpoint GP Inc.

HBC YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

2472598 Ontario Inc.

NON-APPLICANT STAY PARTIES

HBC Holdings LP

RioCan-HBC General Partner Inc.

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC Centerpoint LP

[3] This schedule lists the Applicants and Non-Applicant Stay Parties as of the Initial Order. As noted within the Ninth Report, the CCAA Proceedings were terminated in respect of two of the Applicants, and the stay of proceedings no longer applies in respect of several of the Non-Applicant Stay Parties.

The Bay Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

SCHEDULE B

Name Changes for Hudson's Bay Canada Entities

Former Name	New Name	CCAA Status	Effective Date of Name Change
HBC Centrepoint GP Inc.	2745263 Ontario Inc.	Applicant	August 12, 2025
HBC Holdings GP Inc.	2745270 Ontario Inc.	Applicant	August 12, 2025
Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI	1242939 B.C. Unlimited Liability Company	Applicant	August 12, 2025
HBC Canada Parent Holdings Inc.	1241423 B.C. Ltd.	Applicant	August 12, 2025
HBC Canada Parent Holdings 2 Inc.	1330096 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings I Inc.	1330094 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings II ULC	1330092 B.C. Unlimited Liability Company	Applicant	August 12, 2025
The Bay Holdings ULC	1329608 B.C. Unlimited Liability Company	Applicant	August 12, 2025
2472596 Ontario Inc.	--	Applicant	--
2472598 Ontario Inc.	--	Applicant	--
Snospmis Limited	--	Applicant	--

APPENDIX A
Questions from Royal Trust Motion

See attached.

Question:	Follow-up Question(s)
1. Can interim distributions be made from the HBC Main RCA prior to a final determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, on the basis that recoveries of overpayments (if any) as a result thereof will be deducted from wind-up distributions of the Pension Plan surplus, if any, to each Main SERP Participant?	**If the answer to this question is 1 "no":** Can interim distributions be made from the HBC Main RCA prior to a final determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, on another basis, and if so on what basis should that be? *If the answer to the follow-up question above is also "no", such that no interim distributions can be made from the HBC Main RCA prior to a determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, the Trustee still requests that the remaining questions posed be answered by the Court as these questions require answers regardless of the timing of the distributions from the HBC Main RCA.*
2. Should the Termination Liability for each Main SERP Participant be limited to benefits accrued prior to November 10, 2005?	**If the answer to this question 2 "no":** Should the Termination Liability for each Main SERP Participant be calculated based on benefits accrued to the termination date of the HBC Main RCA?
3. Is the date of termination of the HBC SERPs March 26, 2025?	**If the answer to this question 3 "no":** What is the date of termination of the HBC SERPs?
4. Can the Trustee assume that there is no plan text for the HBC Additional SERP?	**If the answer to this question 4 is "no":** What additional steps should the Trustee take to obtain a plan text or what terms of the HBC Additional SERP plan text should the Trustee assume exist?
5. Are the benefits payable to the Additional SERP Participants, including any Termination Liability, to be determined in accordance with the terms of the HBC Main SERP Plan?	**If the answer to this question 5 is "no":** On what basis are the benefits payable to the Additional SERP Participants to be determined and are the Additional SERP Participants entitled to *benefits* in excess of what the HBC Main SERP Plan provides?
6. Are the Additional SERP Participants entitled to *security* in excess of what the HBC Main RCA provides, which was provided by the HBC Additional RCA?	

Question:	Follow-up Question(s)
7. Should the Additional SERP Participants have priority entitlement to the HBC Additional RCA Trust Fund?	**If the answer to this question 7 is "no":** Should the HBC Additional RCA Trust Fund be considered as one fund with the HBC Main RCA Trust Fund for the purposes of making termination payments to the Main SERP Participants and Additional SERP Participants?
8. If the Court determines the Additional SERP Participants have priority entitlement to the HBC Additional RCA Trust Fund (i.e., if the answer to question 7 is "yes"), should the methodology for allocating the remaining assets under the HBC Additional RCA include only the Additional SERP Participants' Termination Liability?	**If the answer to this question 8 is "yes":** Should the Additional SERP Participants' Termination Liability used in the calculation for allocating both the HBC Main RCA and the HBC Additional RCA include all benefits accrued under the HBC Main SERP (i.e., the benefits paid under the HBC Additional RCA should not be excluded when determining the asset allocation for the HBC Main RCA and vice versa)?
9. Should the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and HBC Additional RCA be limited to 100% of their Termination Liability?	**If the answer to this question 9 is "yes":** If the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and HBC Additional RCA is greater than 100% of the Additional SERP Participant's Termination Liability, should the termination payment to that Additional SERP Participant from the HBC Main RCA Trust Fund be reduced to ensure that the Additional SERP Participant's aggregate amount payable from both the HBC Main RCA and HBC Additional RCA is no greater than their Termination Liability? Should the excess assets remaining in the HBC Main RCA Trust Fund after reducing the amount payable to the Additional SERP Participant(s) from the HBC Main RCA Trust Fund be allocated among the other HBC Main Participants based on a *pro rata* of their Termination Liability?
10. Should the methodology set out at paragraph 172 be used to calculate the Termination Liability pursuant to the HBC Main SERP Plan?	**If the answer to this question 10 is "no":** What methodology should be used to calculate the Termination Liability pursuant to the HBC Main SERP Plan?
11. Should the actuarial assumptions in accordance with the CIA Recommendation be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP	**If the answer to this question 11 is "no":** What methodology should be used to complete the Conversion Calculation for each DC Active and

Question:	Follow-up Question(s)
Participant in determining the Basic Plan Offset Pension and the RAA Offset Pension?	Deferred Main SERP Participant in determining the Basic Plan Offset Pension? What methodology should be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the RAA Offset Pension?
12. Should the outstanding RAA Loans and Zellers Loans be repaid to HBC out of the Trust Funds available in the HBC RAA RCA and Zellers RCA, respectively?	This is a threshold question as it relates to the RAA RCA and Zellers RCA as there are insufficient funds in each of the related Trust Funds to make any further distributions to the participants of such RCAs if such loans are repaid to HBC.

APPENDIX B
Endorsement dated June 26, 2026

See attached.

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00738613-00CL **DATE: June 26, 2026**

NO. ON LIST: 3

TITLE OF PROCEEDING: HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI; HBC CANADA PARENT HOLDINGS INC; HBC CANADA PARENT HOLDINGS 2 INC; HBC BAY HOLDINGS I INC; HBC BAY HOLDINGS II ULC; HBC HOLDINGS GP INC; THE BAY HOLDINGS ULC; HBC CENTERPOINT GP INC; HBC YSS2LP INC; SN OSPMIS LIMITED; HBC YSS 1 LP INC; 2472596 ONTARIO INC; 2472598 ONTARIO INC v. REVENU QUÉBEC; Chelsey Boucher; Lucio Cammisa; Orazio Mazzotta; Mozac Mohammed-Ali; SCHINDLER ELEVATOR CORPORATION; His Majesty the King in Right of Canada as represented by the Minister of National Revenue; INDO COUNT INDUSTRIES INDIA LIMITED; DIESEL CANADA INC; UNITED STEELWORKERS Local 1-417; LEVI STRAUSS & CO; RICHEMONT CANADA INC; MAPLE LEAF SPORTS & ENTERTAINMENT PARTNERSHIP; HIS MAJESTY THE KING IN RIGHT OF ONTARIO; HIS MAJESTY THE KING IN RIGHT OF MANITOBA; Restore Capital LLC, in its capacity as FILO AGENT; HCS 102, LLC; Tiger Asset Solutions Canada, ULC; 1903 Partners, LLC; WESTCLIFF MANAGEMENT LTD.; GA Group Solutions LLC; ATTORNEY GENERAL OF CANADA; RAPID CONSTRUCTION SOLUTIONS INC.; DKRT FAMILY CORP.; THE ASSOCIATION FOR MANITOBA ARCHIVES; RUBY LIU COMMERCIAL INVESTMENT CORP. ; ROYAL TRUST CORPORATION OF CANADA

BEFORE: JUSTICE KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Elizabeth Pillon Brittney Ketwaroo	HUDSON'S BAY COMPANY	lpillon@stikeman.com bketwaroo@stikeman.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Emily Fan Angela Hou	COUNSEL TO TELUS HEALTH CANADA, AS ADMINISTRATOR OF THE HUDSON'S BAY COMPANY PENSION PLAN	EFan@mintz.com ahou@mintz.com
Susan Ursel Karen Ensslen	PROPOSED PENSION REPRESENTATIVE COUNSEL	sursel@upfhlaw.ca kensslen@upfhlaw.ca
Mark Firman	FILO LENDERS	Mark.firman@blakes.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Sean Zweig Thomas Gray	Counsel to the Monitor	zweigs@bennettjones.co grayt@bennettjones.com
Greg Karpel Alan Hutchens	The Monitor, Alvarez & Marsal	gkarpel@alvarezandmarsal.com ahutchens@alvarezandmarsal.com
Jules Monteyne Aryo Shalviri	Royal Trust Corporation of Canada	jules.monteyne@blakes.com aryo.shaviri@blakes.com

ENDORSEMENT OF JUSTICE KIMMEL:

[1] Royal Trust Corporation of Canada ("RT") has brought a motion for advice and directions of the Court in its capacity as trustee of trust funds related to four retirement compensation arrangements ("RCAs") to which former executives of the 1242939 B.C. Unlimited Liability Company (f/k/a Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) and its applicable predecessors (the "Company", together with 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., the "Applicants") are beneficiaries.

[2] The motion deals with the RCAs and associated Supplementary Executive Retirement Plans ("SERPs").

[3] RT is the Trustee of four RCA's, each of which was established for the purpose of holding assets relating to certain benefits accrued under the SERPs for which the Company had promised some portion would be secured or pre-funded. Each RCA was established pursuant to and is governed by its own trust agreement (collectively, the "**Trust Agreements**"). RT was not a party to, nor was it involved in the establishment of any of the SERPs.

[4] After the CCAA filing discussions with the Company regarding the need for an actuary, RT retained Mercer as its actuary to assist with the wind up and distribution of the RCAs and interpretation of the SERPs, effective May 5, 2025.

[5] The Applicants and RT, in consultation with Employee Representative Counsel ("ERC") and the Monitor and its counsel, have compiled an Issues List outlining various questions upon which the court's advice and direction might be sought, given the unique circumstances in which RT finds itself. RT, while the moving party, is not expecting to take a position on the motion.

[6] ERC and the Applicants, in consultation with the Monitor, have reached significant alignment and continue to progress discussions toward a consensus position on the vast majority of the issues.

[7] ERC and the Applicants anticipate being in a position to put forward a consensus position to the Court on the identified Questions 1-8, 10 and 11. They have asked a hearing date to be scheduled in the fall for the court to consider their proposals with respect to these (and any related questions) and they propose to develop a timetable and protocol to conclude their consultations and notify stakeholders and provide an opportunity for them to participate at the hearing of this part of RT's motion. This bifurcated approach makes sense in the particular circumstances of this case.

[8] A half day in person hearing has been scheduled in this matter on September 25, 2026 before Justice Steele to consider a sub-set of questions that are expected to be put forward with proposed consensus responses. It is anticipated that a sealing order will be sought in connection with some of the material for this motion, and the court has directed that the party requesting the sealing order shall complete the Notice of Request for Publication Ban form on the Court's website and comply with the specific notice requirements set out under the Consolidated Civil Practice Direction, Part 9- Publication Bans, paragraphs 113-117.

[9] Pending the outcome of the confidentiality and sealing order motion, the parties will adopt a protocol for dealing with the evidence on this motion that does not involve filing any materials with the court that contain the evidence sought to be sealed. The sealing order request is expected to be narrow and accordingly can be addressed at the hearing of the motion.

[10] The parties shall develop a timetable and protocol for briefing this part of the motion that ensures that all materials (including anticipated further materials from the parties present at this case conference as well as any that any stakeholder may later wish to file in response to this motion) have been served, filed and uploaded into the appropriate hearing bundle in case center by no later than September 23, 2026 at 2:30 p.m. That protocol shall be served on all potentially interested stakeholders sufficiently in advance that they will have a reasonable opportunity to participate, should they wish to do so. The protocol shall include clear instructions for how an interested stakeholder can participate and the timing for such, in an effort to avoid any last-minute adjournment requests.

[11] The parties may arrange a further case conference before either Justice Steele or myself to deal with any scheduling or timetabling matters in connection with RT's motion, including (at the appropriate time) the scheduling of a hearing and timetable for the court to consider any remaining questions that are not covered by the questions expected to be put forward for the court's consideration at this initial return date on September 25, 2026.

Kimmel J.

Date: Jun 26, 2026

Jessica Kimmel

APPENDIX C
Letter from Employee Representative Counsel dated July 17, 2026

See attached.

Ursel Phillips Fellows Hopkinson LLP

JUSTICE AT WORK

Susan Ursel
Direct Dial: 416-969-3515
E-mail: sursel@upfhlaw.ca

July 17, 2026

Sent Via Email

The Honourable Justice Jessica Kimmel
Ontario Superior Court of Justice – Commercial List
330 University Avenue 7th Floor
Civil Trial Office
Toronto, ON M5G 1R7

Dear Justice Kimmel:

Re: CCAA Proceedings of Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI
Court File No. CV-25-00738613-00CL
Our File: 3158001

Further to the Case Conference held on June 26, 2026 to review the process for the Royal Trust motion (the Motion) on the distribution of assets in the HBC Main RCA and the HBC Additional RCA, we write to report to the Court on the results of discussions for a Schedule and Protocol for the hearing of the Motion.

Extensive discussions have occurred between Employee Representative Counsel (ERC), the Monitor, the Company, and Royal Trust (RT) in the development of the Schedule and Protocol that meets the requirements and concerns of the Court as set out in the Case Conference Endorsement.

We attach the Final Schedule and Protocol as requested by the Court, for the hearing of the Motion on September 25, 2026. This document has been circulated to the above noted parties, and to counsel for the Secured Lenders as well.

The Schedule and Protocol addresses various matters which the Court wished to see scheduled, including dates for delivery of records and facta, participation by Interested Parties (as defined in the Schedule and Protocol, and designed among other things, to address issues of SERP members who may have views on the proposed distribution), and to deal with the sealing of the contracts of the two executives.

We also attach a document entitled ERC Milestones for RT Motion, which contains our more detailed milestones in furtherance of this motion, for the Court's information.

If upon review of this Schedule and Protocol, the Court is agreeable, ERC will serve it on the Service List and posting it on our website on Monday. We will also be requesting that the Monitor post it on its website. We will also take the steps noted in the Schedule and Protocol to bring it to the attention of our constituents who are the beneficiaries of the HBC RCAs.

We would be happy to make ourselves available to answer any questions the Court may have about the Schedule and Protocol at the Court's convenience.

Thank you for your kind attention to this matter.

Yours truly,

Ursel Phillips Fellows Hopkinson LLP



Susan Ursel
SU/slh/ch

Encls.

cc. Sean Zweig, Counsel to the Monitor
Elizabeth Pillon, Counsel to the Company
Aryo Shalviri, Counsel to RT
Linc Rogers, Counsel to FILO
Marc Wasserman, Counsel to Pathlight

ERC Milestones for RT Motion

1. **By July 20, 2026** — The Schedule and Protocol shall be served on the Service List and posted on the Monitor's Website and the ERC Webpage.
2. **By July 17, 2026** — ERC must serve and file its notice of motion, motion record, and factum in support of its motion for an order authorizing ERC to file unredacted employment agreements under seal; the motion is to be heard in writing.
3. **By July 17, 2026** – ERC must serve and file its affidavit evidence on the RT motion, except for the redacted contract which are the subject of 2.
4. **By July 24, 2026** — ERC must serve its factum on the Service List.
5. **By July 24, 2026** — ERC must provide its factum and the Schedule and Protocol to all SERP participants for whom it has email addresses.
6. **By July 24, 2026** — ERC must file its factum.
7. **By July 24, 2026** — ERC must circulate draft forms of the Information and Instructions on how Interested Parties may participate to RT, HBC, and the Monitor for comment.
8. **By July 27, 2026** — ERC's factum must be posted on the ERC webpage and on the Monitor's website, together with Information and Instructions regarding how Interested Parties may advise the Court of their intention to make submissions on the motion.
9. **On July 29, 2026** — ERC must conduct a town hall by videoconference for members of the SERP and RCA groups to:
    - review RT's motion and the issues raised;
    - explain ERC's position;
    - review the Protocol and the process available to Interested Parties wishing to participate in the motion; and
    - answer questions from attendees.
10. **By July 31, 2026** — ERC must provide a draft of the proposed Order to RT, HBC, and the Monitor, including that:
    - the proposed Order shall include a general authorization that, to the extent any ancillary direction is required by RT or Mercer in connection with the implementation or administration of the Order, such direction may be provided by HBC with the consent of the Monitor and ERC, and
    - it will also include language to the effect that the parties will work together to ensure that the terms of the Order are carried out on an economic and efficient manner.

11. **By August 15, 2026** — ERC must serve a proposed form of Order on the Service list and post it on its website. ERC to request Monitor to post on its website as well.
12. **By September 18, 2026** — ERC may serve and file any reply affidavit evidence, if it served materials in July 2026.

Schedule and Protocol For the Hearing of Royal Trust's Motion on the Distribution of Funds in the HBC Main RCA and HBC Additional RCA ("the Motion") on September 25, 2026

Further to the Court's Direction, the following is the Schedule and Protocol with respect to the hearing of the Motion on September 25, 2026.

Note: This Schedule and Protocol shall be served on the Service List by July 20, 2026, and shall be posted on the Monitor's Website and the ERC Webpage.

Note: ERC refers to Employee Representative Counsel

RT refers to Royal Trust Corporation of Canada, which is the Trustee of the HBC Main RCA and HBC Additional RCA

HBC refers to the Applicants herein

CCAA refers to the Companies' Creditors Arrangement Act

Factum refers to formal written legal arguments

The original Motion Record can be found here: Microsoft Word - Royal Trust - Notice of Motion re Advice and Directions on HBC RCAs

The ERC Affidavit, Factum, Reply Factum if any, and Proposed Order in connection with the Motion will be served, filed and posted as hereinafter described in Sections 1, 2, 5 and 9.

The Protocol for an additional Interested Party to be designated as an Interested Party (as defined herein) in order to be able to file Affidavit evidence and/or a Factum is set out below in Sections 4 and 5.

The Schedule for those on the Service List and any additional Interested Parties (as defined herein) to serve and file additional Affidavit evidence and/or a Factum, is set out below in Sections 7 and 8.

The details of the ERC Information Session for members of the Plans associated with the HBC Main RCA and HBC Additional RCA are set out in Section 6.

The date for the Monitor's Report in connection with the Motion is set out in Section 10.

The date of the hearing of the Motion is set out in Section 11.

1. Additional ERC and RT Affidavit Evidence

- On or before **July 17, 2026**, any additional affidavit evidence from ERC shall be served and filed**,** with the exception of the employment agreements relevant to HBC Additional RCA/ HBC Additional SERP.

- On or before **July 17, 2026**, ERC to file notice of motion, motion record, and factum in support of motion for an order authorizing ERC to file unredacted employment agreements under seal**.** Motion to be heard in writing.

- On or before **July 24, 2026**, RT may, if advised, serve and file a further affidavit addressing fees incurred to date.

2. ERC Factum and Proposed Order

- On or before **July 24, 2026**, ERC shall,

    - serve its Factum on the Service List,

    - provide its factum and this Schedule and Protocol to all SERP participants for whom it has email addresses, and

    - file its factum

- On or before **August 15, 2026**, ERC and HBC shall serve a proposed form of Order on the Service List. ERC shall also post the proposed Order on its website.

3. RT Factum

- On or before **July 31, 2026**, RT may file a factum that to address the Court's jurisdiction pursuant to the CCAA and *Trustee Act* to provide advice and direction.

4. Definition of Interested Parties

For the purposes of this Protocol, "Interested Party" means:

(a) any person who is not already on the Service List, whether in its own name or through counsel; and

(b) who have a defined interest in the subject matter of the motion, including, without limitation, members of the RCA and SERP groups and their estates.

5. Posting of Information for and Notice of Intention by Interested Parties

- On or before **July 27, 2026**, ERC shall post its factum on its webpage and on the Monitor's website, together with Information and Instructions on how Interested Parties may advise the Court of their intention to make submissions on the motion.

- The Information and Instructions shall include a Notice of Intention to be used by Interested Parties, as follows:

    - On or before **August 24, 2026**, any Interested Party intending to take a position on the motion shall deliver a Notice of Intention to both ERC and the Monitor.

    - The Notice of Intention shall be delivered by email and shall include:

        - the name and full contact information (address, email address and telephone number) of the Interested Party;

        - the name and full contact information of counsel for the Interested Party, if applicable;

        - a brief description of the Interested Party's interest in the motion; and

        - an acknowledgment that the Interested Party must serve and file any motion materials, including its record and factum, on or before **September 4 and 11, 2026**, respectively, failing which the Interested Party may not be heard at the hearing, subject to the discretion of the Court.

    - Copies of any Notice of Intention or related correspondence received from Interested Parties shall be provided to RT by the Monitor.

6. ERC Information Session

- On or before **July 29, 2026**, ERC shall conduct a town hall by videoconference for members of the SERP and RCA groups to:

    - review RT's motion and the issues raised therein;

    - explain ERC's position;

    - review this Protocol and the process available to Interested Parties wishing to participate in the motion; and

    - answer questions from attendees.

7. Materials from Parties on the Service List

- On or before **August 7, 2026**, any party already on the Service List intending to participate in the motion shall serve and file its record and factum.

8. Materials from Interested Parties

- On or before **September 4, 2026**, any Interested Party intending to take a position on the motion shall serve and file its record.

- On or before **September 11, 2026**, any Interested Party intending to take a position on the motion shall serve and file its factum.

9. Reply Materials

- On or before **September 18, 2026**, ERC, and any other party that served materials in July 2026, may serve and file any reply affidavit evidence.

- On or before **September 18, 2026**, RT may serve and file any reply affidavit evidence and reply factum.

10. Monitor's Report

- On or before **September 18, 2026**, the Monitor may file any report relating to the motion.

11. Hearing

- The motion shall be heard on **September 25, 2026**.

APPENDIX D
Endorsement dated July 24, 2026

See attached.

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00738613-00CL

DATE READ: July 23, 2024

NO. ON LIST: In Writing Request RE Redaction Order on Motion for Advice and Directions

TITLE OF PROCEEDING: HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI; HBC CANADA PARENT HOLDINGS INC; HBC CANADA PARENT HOLDINGS 2 INC; HBC BAY HOLDINGS I INC; HBC BAY HOLDINGS II ULC; HBC HOLDINGS GP INC; THE BAY HOLDINGS ULC; HBC CENTERPOINT GP INC; HBC YSS2LP INC; SN OSPMIS LIMITED; HBC YSS 1 LP INC; 2472596 ONTARIO INC; 2472598 ONTARIO INC v. REVENU QUÉBEC; Chelsey Boucher; Lucio Cammisa; Orazio Mazzotta; Mozac Mohammed-Ali; SCHINDLER ELEVATOR CORPORATION; His Majesty the King in Right of Canada as represented by the Minister of National Revenue; INDO COUNT INDUSTRIES INDIA LIMITED; DIESEL CANADA INC; UNITED STEELWORKERS Local 1-417; LEVI STRAUSS & CO; RICHEMONT CANADA INC; MAPLE LEAF SPORTS & ENTERTAINMENT PARTNERSHIP; HIS MAJESTY THE KING IN RIGHT OF ONTARIO; HIS MAJESTY THE KING IN RIGHT OF MANITOBA; Restore Capital LLC, in its capacity as FILO AGENT; HCS 102, LLC; Tiger Asset Solutions Canada, ULC; 1903 Partners, LLC; WESTCLIFF MANAGEMENT LTD.; GA Group Solutions LLC; ATTORNEY GENERAL OF CANADA; RAPID CONSTRUCTION SOLUTIONS INC.; DKRT FAMILY CORP.; THE ASSOCIATION FOR MANITOBA ARCHIVES; RUBY LIU COMMERCIAL INVESTMENT CORP. ; ROYAL TRUST CORPORATION OF CANADA

BEFORE: JUSTICE KIMMEL

PARTICIPANT INFORMATION

For Representative Counsel:

Name of Person Appearing	Name of Party	Contact Info
Susan Ursel Karen Ensslen Catherine Fan	Employee Representative Counsel	sursel@upfhlaw.ca kensslen@upfhlaw.ca cfan@upfhlaw.ca

ENDORSEMENT OF JUSTICE KIMMEL:

[1] Royal Trust Corporation of Canada ("Royal Trust") has filed a motion (the "RT Motion") seeking directions on twelve questions concerning four retirement compensation arrangements ("RCAs") related to various Supplementary Employee Retirement Plans ("SERPs") created for the benefit of executive employees of 1242939 B.C. ULC, formerly known as Hudson's Bay Company (the "Company"). On June 26, 2026, the court approved a bifurcated approach to this motion, with the first hearing scheduled on September 25, 2026 for the court to consider certain questions that ERC and the Applicants are expected to have a consensus position on.

[2] The court's Endorsement of June 26, 2026 directed, among other things, as follows:

> [8] A half day in person hearing has been scheduled in this matter on September 25, 2026 before Justice Steele to consider a sub-set of questions that are expected to be put forward with proposed consensus responses. *It is anticipated that a sealing order will be sought in connection with some of the material for this motion, and the court has directed that the party requesting the sealing order shall complete the Notice of Request for Publication Ban form on the Court's website and comply with the specific notice requirements set out under the Consolidated Civil Practice Direction, Part 9- Publication Bans, paragraphs 113-117.*
>
> [9] *Pending the outcome of the confidentiality and sealing order motion, the parties will adopt a protocol for dealing with the evidence on this motion that does not involve filing any materials with the court that contain the evidence sought to be sealed. The sealing order request is expected to be narrow and accordingly can be addressed at the hearing of the motion.*
>
> [10] The parties shall develop a timetable and protocol for briefing this part of the motion that ensures that all materials (including anticipated further materials from the parties present at this case conference as well as any that any stakeholder may later wish to file in response to this motion) have been served, filed and uploaded into the appropriate hearing bundle in case center by no later than September 23, 2026 at 2:30 p.m. That protocol shall be served on all potentially interested stakeholders sufficiently in advance that they will have a reasonable opportunity to participate, should they wish to do so. The protocol shall include clear instructions for how an interested stakeholder can participate and the timing for such, in an effort to avoid any last-minute adjournment requests.

[3] As was anticipated in the court's June 26, 2026 endorsement, ERC, the Monitor, the Company and Royal Trust have consulted and developed a Final Schedule and Protocol by which to notify stakeholders and provide an opportunity for them to participate at the hearing of this part of RT's motion. Their proposed Final Schedule and Protocol has been provided to the Secured Lenders. It was provided to the court as an attachment to a letter delivered on Friday July 17, 2026. ERC indicated in that letter that, if the court was

agreeable, it would serve the Final Schedule and Protocol on the Service List and post it on their website on the following Monday, and would also be requesting that the Monitor post it on its website. ERC advised the court that it will take the steps noted in the Final Schedule and Protocol to bring it to the attention of their constituents who are the beneficiaries of the HBC RCAs as well.

[4] The July 17, 2026 letter to the court also had appended to it a document entitled ERC Milestones for RT Motion, which contained ERC's more detailed milestones in furtherance of this motion, for the Court's information. ERC Milestones for RT Motion #2 stated that: "By July 17, 2026 — ERC must serve and file its notice of motion, motion record, and factum in support of its motion for an order authorizing ERC to file unredacted employment agreements under seal; *the motion is to be heard in writing*." [italics are mine, added for emphasis]

[5] The court asked for clarification of this Milestone item in a July 20, 2026 email, because the provision for a sealing order motion to be heard in writing (noted in italics immediately above) had not been contemplated and appeared to be inconsistent with the italicized portions of paragraph 8 and 9 of that endorsement (also excerpted above). ERC's July 20, 2026 response explained the rationale for this changed approach to be to narrow the requested redactions and avoid having to ask for a complete sealing order. ERC explained:

> To that end, ERC has filed an affidavit describing the material terms of the employment contracts but not the contracts themselves. Upon obtaining confirmation from the Court that it is content to proceed in this manner, ERC proposes to file a supplementary motion record containing the redacted employment contracts themselves for use on the main motion. The details of ERC's proposal (including the proposed redactions) are set out in our motion record and factum filed Friday in support of the requested redaction order.

[6] What is now being sought is described by ERC as not a "sealing order" but rather a limited "redaction order", allowing ERC to "serve on the Service List and file a Supplementary Responding Motion Record containing a redacted copy of the Employment Contracts, in the form appended as Exhibit C to the De Fazio Affidavit.".

[7] ERC still went ahead and provided formal Notice to the Media of its intention to request a publication ban on July 17, 2026. The scope is more limited, but redactions are nonetheless considered to be infringements upon the open court principle and ERC's approach to seek the court's permission to do so, on notice to the media in accordance with the court's original direction, is appropriate.

[8] The justification for granting the requested redaction order is supported by the evidence filed on this motion and the legal analysis in ERC's factum. There is, however, a procedural irregularity in the manner in which this has evolved and now come before the court that I am not able to resolve at this time. That is, the original anticipation was a motion for a sealing request that would be returnable at the outset of the hearing of the motion scheduled for September 25, 2026. The Notice to the Media sent on July 17, 2026 indicates that the hearing of the motion is on September 25, 2026 but notes that ERC has requested that the hearing to decide its motion to permit service and filing of redacted Employment Contracts will be in writing. This may be confusing to a recipient of that notice since the hearing date in the Notice to the Media should be the date on which the motion for the sealing request will be heard.

[9] While it may well be that there is no media interest in this sealing request, there is no procedure for a motion such as this, on Notice to the Media, to proceed in writing, and no mechanic for them to make submissions

if they wish to do so. Accordingly, I cannot sign the requested order on the basis of the now filed in-writing motion. I note, as an aside, that the in-writing motion was filed through the portal without any advance direction from the court, which led to some difficulty in locating the motion, since it was not expected. Absent advance direction, it would have been processed in the normal course which at the moment could have taken weeks if not longer for it to be processed and sent to me.

[10] While I have located the motion, I am not granting the motion at this time. I am adjourning it to the September 25, 2026 hearing. The material will need to be uploaded by ERC manually into the September 25, 2026 hearing bundle as it will not otherwise find its way there since it was filed in writing. This endorsement and the ERC July 17, 2026 letter with attachments and the court's June 26, 2026 endorsement should all also be uploaded by ERC into the September 25, 2026 hearing bundle so that they are all readily available to the presiding judge.

[11] On July 23, 2026, ERC sent a further letter to the court seeking leave to file a factum of up to 35 pages.

[12] It is inefficient and inconvenient for the court to be receiving piecemeal correspondence on files outside of scheduled events on the court docket. It would have been preferable and more consistent with the practice on the Commercial List for the matters that have been raised by way of correspondence from ERC to the court over the past week to have been addressed at a case conference. Those can be scheduled by a request form submitted to the Commercial List Scheduling office and are generally accommodated within a very short time frame. In future, the court expects that practice to be followed.

[13] For the immediate purposes, given some of the existing time constraints and so as not to delay the planned notifications to stakeholders, I will grant ERC permission to file a factum (due July 24, 2026) on this motion of up to 35 pages double spaced based on the justification for this need set out in the July 23, 2026 correspondence. While I am unable to grant the requested redaction (sealing) order for the reasons noted earlier in this endorsement, I will grant permission to ERC to serve on the Service List and file its Supplementary Responding Motion Record containing a redacted copy of the Employment Contracts, in the form appended as Exhibit C to the De Fazio Affidavit, pending the final determination of this redaction (sealing) request, which is expected to be made at the return of the motion on September 25, 2026 as originally directed.

[14] ERC shall serve a copy of this endorsement on all counsel who have been copied on their correspondence over the past week and on any counsel that appeared on June 26, 2026 and received a copy of that endorsement.



Date: July 24, 2026 Jessica Kimmel

APPENDIX E
Views of Employee Representative Counsel on Unopposed Questions

See attached.

Question:	Follow-up Question(s)	Proposed Response
1. Can interim distributions be made from the HBC Main RCA prior to a final determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, on the basis that recoveries of overpayments (if any) as a result thereof will be deducted from wind-up distributions of the Pension Plan surplus, if any, to each Main SERP Participant?	**If the answer to this question 1 is "no":** Can interim distributions be made from the HBC Main RCA prior to a final determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, on another basis, and if so on what basis should that be? *If the answer to the follow-up question above is also "no", such that no interim distributions can be made from the HBC Main RCA prior to a determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, the Trustee still requests that the remaining questions posed be answered by the Court as these questions require answers regardless of the timing of the distributions from the HBC Main RCA.*	The answer to Q. 1 is Yes, and therefore it is unnecessary to answer the follow-up question. A mechanism to protect any interest of the Company in relation to art. 7.08 of the HBC Main SERP Plan, and the reversionary interest in excess assets under art. 7.07 is appropriate by way of court order and/or letters of commitment executed by Main SERP Participants to ensure that appropriate calculations are conducted and any amounts owing to the Company are paid from the HBC Main SERP Participants' distribution (if any) from the registered pension plan surplus.
1(A). Could there be any excess assets under the HBC Main RCA (with or without taking into account surplus distributions under the Pension Plan) in respect of which, pursuant to section 7.07 of the HBC Main SERP plan text and section 8.3 of the trust agreement, the Company could claim a reversionary interest? **If so, what is the Company's reversionary interest in any excess assets under the HBC Main RCA?**		Yes, there could be excess assets over which the Company could claim a reversionary interest, however determination of that reversionary interest cannot be made until the Actuary has conducted its calculations following the Court's directions.

Question:	Follow-up Question(s)	Proposed Response
2. Should the Termination Liability for each Main SERP Participant be limited to benefits accrued prior to November 10, 2005?	**If the answer to this question 2 "no":** Should the Termination Liability for each Main SERP Participant be calculated based on benefits accrued to the termination date of the HBC Main RCA?	We believe that this question is meant to clarify whether the application of the assets of the HBC Main RCA should be limited to benefits accrued prior to November 10, 2005. If so, the answer is yes in the sense that the application of the assets of the HBC Main RCA should be limited to benefits accrued prior to November 10, 2005 and the Termination Liability should be calculated accordingly.
3. Is the date of termination of the HBC SERPs March 26, 2025?	**If the answer to this question 3 "no":** What is the date of termination of the HBC SERPs?	No. The Termination Date is March 7, 2025.
4. Can the Trustee and Mercer assume that there is no plan text for the HBC Additional SERP?	**If the answer to this question 4 is "no":** What additional steps should the Trustee take to obtain a plan text or what terms of the HBC Additional SERP plan text should the Trustee assume exist?	Yes. There is no HBC Additional SERP plan text.
5. Are the benefits payable to the Additional SERP Participants, including any Termination Liability, to be determined in accordance with the terms of the HBC Main SERP Plan?	**If the answer to this question 5 is "no":** On what basis are the benefits payable to the Additional SERP Participants to be determined?	Yes, the Additional SERP Participants' entitlements should be determined under the HBC Main SERP Plan.
6. Are the Additional SERP Participants entitled to *security* in excess of what the HBC Main RCA provides, which was provided by the HBC Additional RCA?		Yes, the HBC Additional RCA is intended to provide additional security to the Additional SERP Participants. In connection with this answer, please also see the response to Question 9 below.

Question:	Follow-up Question(s)	Proposed Response
7. Should the Additional SERP Participants have priority entitlement to the HBC Additional RCA Trust Fund?	**If the answer to this question 7 is "no":** Should the HBC Additional RCA Trust Fund be considered as one fund with the HBC Main RCA Trust Fund for the purposes of making termination payments to the Main & Additional SERP Participants?	Yes, the Additional SERP Participants have priority entitlement to the assets in the HBC Additional RCA. In connection with this answer, please also see the response to Question 9 below.
8. If the Court determines the Additional SERP Participants have priority entitlement to the HBC Additional RCA Trust Fund (i.e., if the answer to question 7 is "yes"), should the methodology for allocating the remaining assets under the HBC Additional RCA include only the Additional SERP Participants' Termination Liability?	**If the answer to this question 8 is "yes":** Should the Additional SERP Participants' Termination Liability used in the calculation for allocating both the HBC Main RCA and the HBC Additional RCA include all benefits accrued under the HBC Main SERP (i.e., the benefits paid under the HBC Additional RCA should not be excluded when determining the asset allocation for the HBC Main RCA and vice versa)?	Yes, the remaining assets under the HBC Additional RCA should be allocated based on only the Additional SERP Participants' Termination Liability and paid only to those Additional SERP Participants. Consistent with the proposed responses to Questions 2, 6 and 7 above, the Additional SERP Participants' Termination Liability should be calculated to account for benefits accrued up to November 10, 2005 from the HBC Main RCA, and to account for benefits accrued on or after November 10, 2005 from the HBC Additional RCA.
9. Should the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and HBC Additional RCA be limited to 100% of their Termination Liability?	**If the answer to this question 9 is "yes":** If the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and HBC Additional RCA is greater than 100% of the Additional SERP Participant's Termination Liability, should the termination payment to that Additional SERP Participant from the HBC Main RCA Trust Fund be reduced to ensure that the Additional SERP	This issue may be addressed separately at a later date after the Actuary has conducted its calculations following the Court's directions, if necessary. Further clarification is included at Exhibit "B" to the De Fazio Affidavit.

Question:	Follow-up Question(s)	Proposed Response
	Participant's aggregate amount payable from both the HBC Main RCA and HBC Additional RCA is no greater than their Termination Liability? Should the excess assets remaining in the HBC Main RCA Trust Fund after reducing the amount payable to the Additional SERP Participant(s) from the HBC Main RCA Trust Fund be allocated among the other HBC Main Participants based on a *pro rata* of their Termination Liability?	
10. Should the methodology set out at paragraph 172 be used to calculate the Termination Liability pursuant to the HBC Main SERP Plan?	**If the answer to this question 10 is "no":** What methodology should be used to calculate the Termination Liability pursuant to the HBC Main SERP Plan?	Yes.
11. Should the actuarial assumptions in accordance with the CIA Recommendation be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the Basic Plan Offset Pension and the RAA Offset Pension?	**If the answer to this question 11 is "no":** What methodology should be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the Basic Plan Offset Pension? What methodology should be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the RAA Offset Pension?	Yes.

Question:	Follow-up Question(s)	Proposed Response
Additional Questions		
A. Should the Proposed Cost Allocation Methodology as outlined in paragraph 189 be adopted?	If the answer to this question 13 is "no", what methodology should be adopted?	Yes.
B. Can any excess assets remaining in the Trust Funds be paid to the Company?		Yes, subject to the responses to Question 9, above, and to be deferred pending resolution of Question 9, above.

APPENDIX F
Information and Instructions Regarding September 25 Hearing

See attached.

Information and Instructions for Interested Parties - Royal Trust Motion on the Distribution of SERP Funds to SERP Members

Background

On February 13, 2026, Royal Trust Corporation of Canada ("Royal Trust") filed a notice of motion (the "RT Motion") seeking directions on twelve questions related to four retirement compensation arrangements ("RCAs") related to various Supplementary Employee Retirement Plans ("SERPs") created for the benefit of executive employees of 1242939 B.C. ULC, formerly known as Hudson's Bay Company (the "Company"). The RT Motion is currently scheduled to be heard on September 25, 2026.

In its motion, Royal Trust posed twelve questions for which it required the Court's advice and direction, to enable it to proceed with distribution of the assets in the RCAs related to various HBC SERPs.

The majority of those questions deal with the distribution of assets in two RCAs, the HBC Main RCA and the HBC Additional RCA. In consultation with the Company, the Monitor and Royal Trust, the ERC has developed answers for those questions based on the evidence and the law, and the Company is largely aligned with those answers as well. Royal Trust as the trustee, takes no position on its questions. These questions will be dealt with by the Court on **September 25, 2026**.

There is one set of questions regarding the existence of certain promissory notes and whether those notes should be enforced. This set of questions is expected to be contested by the Company and the ERC. A separate date will be set to deal with that set of questions.

ERC Position on the September 25 Questions

The ERC's positions on the HBC Main RCA and HBC Additional RCA questions are set out in its factum (written legal arguments) and are summarized on this webpage under the heading **ERC Position on HBC Main RCA and HBC Additional RCA.**

The ERC factum and its Responding Motion Record, which provides additional evidence related to these issues, are posted on this website and can be found under the Related Documents heading to the right, and on the Monitor's website.

Interested Parties Have An Opportunity to Participate in the September 25 Motion

The Court has requested ERC to provide an opportunity to Interested Parties to participate in the hearing of the Motion on September 25, 2026.

> *"Interested Party" means:*

(a) any person who is not already on the Service List, whether in their own name or through counsel; and

(b) *who has a defined interest in the subject matter of the motion, including, without limitation, members of the RCA and SERP groups and their estates.*

For greater clarity, if **you are in agreement** with the position taken by the ERC in its factum, **you do not need to take any further steps**, as the ERC will present those arguments to the court.

If upon review, you have a defined interest in the subject matter of the motion *and* **have a different position** from the ERC's position, you must take the steps outlined below if you wish to be heard by the Court.

Steps to be Taken by an Interested Party Who Wishes to Participate in the Hearing of the Motion

Any Interested Party who intends to take a position on the motion shall deliver a Notice of Intention in the form below, to both ERC and the Monitor on or before **August 24, 2026**.

A Notice of Intention can be emailed to the ERC at: kensslen@upfhlaw.ca

A Notice of Intention can be emailed to the Monitor at: HudsonsBay@alvarezandmarsal.com

Copies of any Notice of Intention or related correspondence received from Interested Parties by the Monitor shall also be provided to Royal Trust by the Monitor.

Please note that the Notice of Intention requires an Interested Party to acknowledge that it must serve and file any motion materials, including its record and factum, on or before **September 4, 2026** and **September 11, 2026**, respectively, failing which the Interested Party may not be heard at the hearing, subject to the discretion of the Court.

Please note that if you choose to participate as an Interested Party, you are responsible for serving and filing your own materials, and are responsible for your own legal fees and disbursements.

Deadlines for Interested Parties' to Serve and File Their Materials

As noted above:

On or before **September 4, 2026:** Any Interested Party intending to take a position on the motion shall serve on the Service List and file with the Court its **Motion Record.**

On or before **September 11, 2026**: Any Interested Party intending to take a position on the motion shall serve on the Service List and file with the Court its **Factum**.

The Service List is available on the Monitor's website.

NOTICE OF INTENTION

To: Employee Representative Counsel and the Monitor

The undersigned hereby gives notice of its intention to take a position on the motion.

Name of Interested Party	
Address	
Email address	
Telephone number	
Name and contact information of counsel, if applicable	
Brief description of interest in the motion and position to be taken at the hearing	

Date: _____	**Signature:** _____

APPENDIX G
Employee Representative Counsel's Overview of Issues for September 25 Hearing

See attached.

ERC Positions on Distribution of the HBC Main SERP and HBC Additional SERP - Royal Trust Motion on the Distribution of SERP Funds to SERP Members

Background

On February 13, 2026, Royal Trust Corporation of Canada ("Royal Trust") filed a notice of motion (the "RT Motion") seeking directions on twelve questions related to four retirement compensation arrangements ("RCAs") related to various Supplementary Employee Retirement Plans ("SERPs") created for the benefit of executive employees of 1242939 B.C. ULC, formerly known as Hudson's Bay Company (the "Company"). The RT Motion is currently scheduled to be heard on September 25, 2026.

In its motion, Royal Trust posed twelve questions for which it required the Court's advice and direction, to enable it to proceed with distribution of the assets in the RCAs related to various HBC SERPs.

The majority of those questions deal with the distribution of assets in two RCAs, the HBC Main RCA and the HBC Additional RCA. In consultation with the Company, the Monitor and Royal Trust, Employee Representative Counsel ("ERC") has developed answers for those questions based on the evidence and the law, and the Company is largely aligned with those answers as well. Royal Trust as the trustee, takes no position on its questions. These questions will be dealt with by the Court on **September 25, 2026.**

There is one set of questions regarding the existence of certain promissory notes and whether those notes should be enforced. This set of questions is expected to be contested by the Company and the ERC. A separate date will be set to deal with that set of questions.

ERC Position on the September 25 Questions

The ERC's positions on the HBC Main RCA and HBC Additional RCA questions are set out in its factum (written legal arguments) which is available on this website under the Related Documents heading to the right. These arguments can be summarized as follows:

HBC Main RCA and HBC Main SERP Plan

The HBC Main RCA is the trust account with Royal Trust where monies for paying benefits under the HBC Main SERP Plan have been held since January 2006.

The HBC Main SERP Plan is the plan that describes, among other things, the benefits to be paid to Members of the plan.

Participants in the HBC Main SERP Plan have historically been paid their benefits out of the HBC Main RCA for benefits earned between 1999 and 2005. Members of the HBC Main SERP Plan were historically paid their benefits directly by the Company for benefits earned after 2005 (with the exception of the members of the HBC Additional RCA as described below).

The HBC Main RCA has only ever received monies deposited to it in respect of benefits earned between 1999 and 2005, and the Trust Agreement that created this RCA reflects that fact, as do the financial records of that account.

Royal Trust has raised a question with respect to whether the distribution of assets from the HBC Main RCA should be made based on all service accrued by Main SERP Participants, or only service accrued up to November 10, 2005. This question relates to the purpose of the monies in the HBC Main RCA. ERC has reviewed the financial records, the Trust Agreement governing the HBC Main RCA, the practice of the parties in paying benefits and the law governing benefit plans and trusts. ERC has concluded that the monies on deposit in the HBC Main RCA were in respect of benefits earned by Members between 1999 and 2005 only. ERC accordingly takes the position that the monies in the HBC Main RCA should be used to pay Members for benefits earned between 1999 and 2005 only.

Timing of Distribution of HBC Main RCA Assets in relation to the RPP Surplus

Payment out of the HBC Main RCA associated with the Main HBC SERP is subject to a set-off which requires any monies received by a Main SERP Participant from the surplus in the Hudson's Bay Company Pension Plan (the "Registered Pension Plan" or "RPP") be set-off against money the Main SERP Participant would received from the HBC Main SERP. In accordance with the terms of the HBC Main SERP Plan, any monies not spent from the HBC Main RCA because of this set-off would revert to the Company, according to the terms of the HBC Main SERP plan.

To give effect to these provisions in the HBC Main SERP Plan would in the normal course require Main SERP Participants to wait until the RPP Surplus is determined before they could receive any money from the HBC Main RCA.

ERC does not believe Main SERP Participants should have to wait for the RPP Surplus issue to be finally determined to receive a distribution of assets from the HBC Main RCA.

ERC proposes that Main SERP Participants entitled to monies from the HBC Main RCA and from the HBC Additional RCA should be paid these monies before the RPP Surplus issue is determined.

In order to do this, ERC proposes that no monies from the RPP Surplus be paid to Main SERP Participants entitled to payments from these RCAs until a determination has been made of the amount that would have been set-off, and that amount is paid to the Company, as it would have been in the normal course.

HBC Additional RCA

There is an HBC Additional RCA supported by its own trust agreement (the Additional Trust Agreement). That Additional Trust Agreement stipulates that two executives are the beneficiaries of the trust. This Additional Trust Agreement was created pursuant to specific employment agreements with the two executives which provided for this additional security for their HBC Main SERP benefits.

The HBC Additional RCA provides security for these two executives with respect to their earned benefits including between 2005 and 2008, and 2005 and 2010 respectively.

ERC takes the position that the monies in the HBC Additional RCA should be used for the purpose set out in the Additional Trust Agreement, and are intended to provide additional security to the two executives only, for their benefits under the HBC Main SERP Plan.

Other Questions Posed by Royal Trust

ERC takes the position that other questions posed by Royal Trust about the actuarial assumptions to be used in connection with calculating the entitlements of Members, and the payments from the two RCAs in question, should be based on the Canadian Institute of Actuaries' Standards of Practice.

Questions Not Being Heard on September 25, 2026

There are a set of questions not being heard on September 25, 2026 which deal with promissory notes required by the Company to be issued by Royal Trust, in favour of the Company, in two other executive retirement arrangements. The two other arrangements are the Retirement Allowance Arrangement for executives with service prior to 1999, and the Woodwards SERP which covers both Woodwards and Zellers executives.

The main question about these promissory notes is whether the Company should be able to insist on their performance, such that any remaining assets in the accounts for these two plans, including CRA tax credit refunds, should go to the Company and not the members of these two arrangements.

ERC takes the position that the Company should not be able to insist on the performance of these promissory notes and that any assets remaining in these two arrangements should be used for the benefit of their members respectively.

ERC expects these questions to be contested by the Company at a later hearing of these questions.

ERC Position on Each Question as Posed by Royal Trust

ERC's position on each of the particular questions posed by Royal Trust is set out in the table below.

Question:	**Follow-up Question(s)**	**ERC Response**
1. Can interim distributions be made from the HBC Main RCA prior to a final determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, on the basis that recoveries of overpayments (if any) as a result thereof will be deducted from wind-up distributions of the Pension Plan surplus, if any, to each Main SERP Participant?	**If the answer to this question is 1 "no":** Can interim distributions be made from the HBC Main RCA prior to a final determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, on another basis, and if so on what basis should that be? *If the answer to the follow-up question above is also "no", such that no interim distributions can be made from the HBC Main RCA prior to a determination of what amounts, if any, the Main SERP Participants are entitled to from the Pension Plan surplus, the Trustee still requests that the remaining questions posed be answered by the Court as these questions require answers regardless of the timing of the distributions from the HBC Main RCA.*	Yes, and therefore it is unnecessary to answer the follow-up question. The parties expect to be in a position to propose a mechanism to protect any interest of the Company in relation to art. 7.08 of the HBC Main SERP Plan, and the reversionary interest in excess assets under art. 7.07 by way of court order and/or letters of commitment executed by Main SERP Participants which will ensure that appropriate calculations are conducted and any amounts owing to the Company are paid from the Main SERP recipients' distribution from the registered pension plan surplus.

1(A) Could there be any excess assets under the HBC Main RCA (with or without taking into account surplus distributions under the Pension Plan) in respect of which, pursuant to section 7.07 of the HBC Main SERP plan text and section 8.3 of the trust agreement, the Company could claim a reversionary interest? If so, what is the Company's reversionary interest in any excess assets under the HBC Main RCA?		Yes, there could be excess assets over which the Company could claim a reversionary interest, however determination of that reversionary interest cannot be made until the Actuary has conducted its calculations following the Court's directions.
2. Should the Termination Liability for each Main SERP Participant be limited to benefits accrued prior to November 10, 2005?	**If the answer to this question 2 "no":** Should the Termination Liability for each Main SERP Participant be calculated based on benefits accrued to the termination date of the HBC Main RCA?	We believe that this question is meant to clarify whether <u>the application of the assets</u> of the HBC Main RCA should be limited to benefits accrued prior to November 10, 2005. If so, the answer is yes. However, the actual Termination Liability itself (which encompasses all the obligations of the Main SERP to its members) should be calculated as the Plan requires. The payment to each Main SERP Participant should be limited to benefits accrued up to November 10, 2005 and should be payable only to those Main SERP Participants with benefits accrued up to November 10, 2005.

Question:	Follow-up Question(s)	ERC Response
3. Is the date of termination of the HBC SERPs March 26, 2025?	**If the answer to this question 3 "no":** What is the date of termination of the HBC SERPs?	No. The Termination Date is March 7, 2025.
4. Can the Trustee and Mercer assume that there is no plan text for the HBC Additional SERP?	**If the answer to this question 4 is "no":** What additional steps should the Trustee take to obtain a plan text or what terms of the HBC Additional SERP plan text should the Trustee assume exist?	Yes. There is no HBC Additional SERP plan text.
5. Are the benefits payable to the Additional SERP Participants, including any Termination Liability, to be determined in accordance with the terms of the HBC Main SERP Plan?	**If the answer to this question 5 is "no":** On what basis are the benefits payable to the Additional SERP Participants to be determined?	Yes, the Additional SERP Participants' entitlements should be determined under the HBC Main SERP Plan.
6. Are the Additional SERP Participants entitled to *security* in excess of what the HBC Main RCA provides, which was provided by the HBC Additional RCA?		Yes, the HBC Additional RCA is intended to provide additional security to the Additional SERP Participants. In connection with this answer, please also see the response to Question 9 below.

Question:	Follow-up Question(s)	ERC Response
7. Should the Additional SERP Participants have priority entitlement to the HBC Additional RCA Trust Fund?	**If the answer to this question 7 is "no":** Should the HBC Additional RCA Trust Fund be considered as one fund with the HBC Main RCA Trust Fund for the purposes of making termination payments to the Main & Additional SERP Participants?	Yes, the Additional SERP Participants have priority entitlement to the assets in the HBC Additional RCA. In connection with this answer, please also see the response to Question 9 below.
8. If the Court determines the Additional SERP Participants have priority entitlement to the HBC Additional RCA Trust Fund (i.e., if the answer to question 7 is "yes"), should the methodology for allocating the remaining assets under the HBC Additional RCA include only the Additional SERP **Participants' Termination Liability**	**If the answer to this question 8 is "yes":** Should the Additional SERP Participants' Termination Liability used in the calculation for allocating both the HBC Main RCA and the HBC Additional RCA include all benefits accrued under the HBC Main SERP (i.e., the benefits paid under the HBC Additional RCA should not be excluded when determining the asset allocation for the HBC Main RCA and vice versa)?	Yes, the remaining assets under the HBC Additional RCA should be allocated based on <u>only</u> the Additional SERP Participants' Termination Liability and paid only to those Additional SERP Participants. Consistent with the proposed responses to Questions 2, 6 and 7 above, the Additional SERP Participants' Termination Liability should be calculated to account for benefits accrued up to November 10, 2005 from the HBC Main RCA, and to account for benefits accrued after November 10, 2005 from the HBC Additional RCA.

Question:	Follow-up Question(s)	Proposed Response
9. Should the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and HBC Additional RCA be limited to 100% of their Termination Liability?	If the answer to this question 9 is "yes": If the aggregate amount payable to an Additional SERP Participant from both the HBC Main RCA and HBC Additional RCA is greater than 100% of the Additional SERP Participant's Termination Liability, should the termination payment to that Additional SERP Participant from the HBC Main RCA Trust Fund be reduced to ensure that the Additional SERP Participant's aggregate amount payable from both the HBC Main RCA and HBC Additional RCA is no greater than their Termination Liability? Should the excess assets remaining in the HBC Main RCA Trust Fund after reducing the amount payable to the Additional SERP Participant(s) from the HBC Main RCA Trust Fund be allocated among the other HBC Main Participants based on a *pro rata* of their Termination Liability?	**This issue may be contested separately at a later date after the Actuary has conducted its calculations following the Court's directions, if necessary.** While it is agreed that the Additional SERP Participants have no entitlement over and above 100% of their Termination Liability, there may be disputes as to the appropriate calculation thereof and the interaction of an excess in one trust fund with a shortfall in another. These potential disputes as to the interpretation of the trust agreements and the HBC Main SERP Plan may or may not arise, and should be deferred pending calculation of the Additional SERP Participants' entitlements under the HBC Main RCA and the HBC Additional RCA and be decided only if necessary. To protect the potential interest of the Company to any excess, the Order should direct that the assets in the HBC Additional RCA cannot be distributed unless (a) there is no excess, (b) there is an agreement between the Company and the Additional SERP Participants regarding the excess amounts; or (c) further order of the Court following determination of Question 9.

Question:	Follow-up Question(s)	Proposed Response
10 Should the methodology set out at paragraph 172[1] be used to calculate the Termination Liability pursuant to the HBC Main SERP Plan?	**If the answer to this question 10 is "no"**: What methodology should be used to calculate the Termination Liability pursuant to the HBC Main SERP Plan?	Yes.
11 Should the actuarial assumptions in accordance with the CIA Recommendation be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the Basic Plan Offset Pension and the RAA Offset Pension?	**If the answer to this question 11 is "no":** What methodology should be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the Basic Plan Offset Pension? What methodology should be used to complete the Conversion Calculation for each DC Active and Deferred Main SERP Participant in determining the RAA Offset Pension?	Yes.
12 Should the outstanding RAA Loans and Zellers Loans be repaid to HBC out of the Trust Funds available in the HBC RAA RCA and Zellers RCA, respectively?	This is a threshold question as it relates to the RAA RCA and Zellers RCA as there are insufficient funds in each of the related Trust Funds to make any further distributions to the participants of such RCAs if such loans are repaid to HBC.	**This issue will be contested separately.**

Additional Questions		
A. Should the Proposed Cost Allocation Methodology as outlined in paragraph 189[2] be adopted?	If the answer to this question 13 is "no", what methodology should be adopted?	Yes.
B. Can any excess assets remaining in the Trust Funds be paid to the Company?		Yes but only after the issue of the Pension Surplus has been conclusively dealt with.
C. Should RT be required to deliver a signed promissory note to the Company in respect of the February 27, 2025 RAA Loan and February 27, 2025 Zellers Loan?		**This issue will be contested separately.**

1 **Paragraph 172:** At article 2.39, the HBC Main SERP Plan describes the methodology to be used to calculate the Termination Liability, as follows, assuming the HBC SERPs' termination date is in March 2025: (i) Employment of all Main SERP Participants is assumed to be terminated as of the date of termination of the HBC Main SERP Plan; (ii) The commuted value of each Main SERP Participant's HBC Main SERP benefits will be determined based on section 3500 – Pension Commuted Values of the Canadian Institute of Actuaries' Standards of Practice (the **"CIA Recommendation")** applicable for March 2025; and (iii) The interest rates to be used to determine this commuted value will be one-half of the interest assumed under the CIA Recommendation, (being 1.80% per annum for the first 10 years and 2.25% per annum thereafter).

2 **Paragraph 189:** Since being instructed by HBC to wind up the HBC RCAs, the Trustee has incurred legal and actuarial fees and disbursements related to the management and wind up of the HBC RCAs (the "**Costs**"). Pursuant to Section 7.6 of each RCA Trust Agreement, the Trustee is authorized to pay the Costs out of each HBC RCA Trust Fund. Where fees and disbursements are incurred by the Trustee with respect to a specific HBC RCA, the Trustee proposes to apply those costs to the applicable HBC RCA Trust Fund, while costs related to general work covering all of the HBC RCAs will be distributed across all four HBC RCA Trust Funds ratably based on quantum of assets in such HBC RCA Trust Fund (inclusive of Refundable Tax) (the **"Proposed Cost Allocation Methodology**").

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-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

EIGHTEENTH REPORT OF THE MONITOR

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, ON M5X 1A4

Sean Zweig (LSO# 57307I)
Tel: (416) 777-6254
Email: ZweigS@bennettjones.com

Preet Gill (LSO# 55526E)
Tel: (416) 777-6513
Email: GillP@bennettjones.com

Mike Shakra (LSO# 64604K)
Tel: (416) 777-3236
Email: ShakraM@bennettjones.com

Thomas Gray (LSO# 82473H)
Tel: (416) 777-7924
Email: GrayT@bennettjones.com

Counsel for Alvarez & Marsal Canada Inc., solely in its capacity as Monitor and not in its personal or corporate capacity